

New York City Giuliani's first 100 days as mayor







FINANCIAL TIMES

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IMF predicts world economic growth of 3% in 1994

The international Monetary Fund is forecasting world economic growth of about 3 per cent this year, with a stronger recovery to between 31/2 and 4 per cent growth in 1995. in its world economic outlook, due to be published on Wednesday just before the twice-yearly meeting of finance ministers on the IMF's interim committee, the IMF predicts that global growth this year will approach the average level achieved in 1978-85, before moving higher next year. Growth in the developing countries is expected to remain "remarkably steady" an IMF official said, while in the industrialised world only the US, Canada, the UK and Nordic countries have pulled out of recession. Page 4

Santa Fe Pacific, US railroad and pipeline group, is to float its gold subsidiary on the New York Stock Exchange on terms which value Santa Fe Gold Corporation at between \$1.76bn and \$2.1bn.

Brazil completes debt deal: Brazil has completed the restructuring of about \$49bn of commercial debt, ending more than a decade of uncertainty over its relations with the international financial community. Page 4

Israel eases Palestinian ban: Israel slightly eased an 11-day-old ban barring the nearly 2m Palestinians from entering Israel but said closure of the occupied territories would continue indefi-



The Spanish government is increasingly confident its economy will grow this year following last year's decline. Economy and finance minister Pedro Solbes (left) said the current account could break even for the first time since 1986, when Spain ioined the European Community. Last year it showed a deficit of Pta632bn (\$4.5bn) Page 2

Silvio Berlusconi, expected to become Italy's next prime minister, has moved to distance himself from his Fininvest business empire by altering plans for the flotation of his publishing interests and accepting the principle of a majority stake being in public hands. Page 2

Barciava, UK bank, is to announce the creation of a management group to handle relationships with large companies as part of reforms intended to bridge the divide between its commercial and investment banking arms. Page 13

Slow growth in UK retail sales: UK retail sales grew only slowly in March, according to a survey by the Confederation of British Industry which will be seen as further evidence that consum ers have become cautious ahead of increases. in taxation due this month. Page 5

Atlantic Computers: A planned payout to creditors of the failed UK computer leasing company has been cancelled, following news of an impending £1bn legal claim, its administrator said. Page 13

Britain's railways face tighter budget: A squeeze on the £1.8bn (\$2.6bn) cost of maintaining Britain's railway network has been pledged by Bob Horton, chairman of Railtrack, the company which this month took over management of British Rail's infrastructure. Page 5

European Monetary System: The Irish punt stayed at the top of the EMS grid after a week in which Germany cut both its official interest rates by 25 basis points, causing a number of other European countries to follow suit. The Spanish peseta slipped two places in the grid, below the French franc and the Danish krone, staying just ahead of the Portuguese escudo. Currencies, Page 25

EMS: Grid

irish Punt **Builder B.Franc** D-Mark F.Franc D.Krane

The chart shows the member currencies of the exchange rate mechanism measured against the meakest currency in the system. Most of the curren cies are permitted to fluctuate within 15 per cent of agreed central rates against the other members of the mechanism. The exceptions are the D-Mark and the guilder which move in a 2.25 per cent band.

EU expansion faces snag: Expansion of the European Union to bring in Sweden, Finland, Austria and Norway in January next year could hinge on the votes of a score of former Italian nists in the European Parliament. Page 2

Chinese leader to tour Slik Road: China's premier Li Peng begins a tour of Central Asia and Kazakhstan today, trying to nurture trade on the old Silk Road and halt a separatist backlash.

Theatre to be named after Gleigud: A theatre in London's West End is to be renamed after leading British actor Sir John Cielgud, in honour of his 90th birthday last week.

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Deutsche Bank had early warning over Schneider

Deutsche Bank, the biggest creditor to the bankrupt Jürgen Schneider property group, was told about the impending crisis at the privately owned company four days before the group's difficulties were made public last

Mr Hellmut Hartmann, chief press spokesman for Deutsche Bank, said yesterday that Mr Jürgen Schneider, the property developer who built up the group

member of the bank's board saying that on medical advice he had had to travel to an unknown destination and give up dayto-day responsibility for manag-ing the business.

Mr Hartmann denied that Deut-

sche Bank could have prevented Mr Schneider's departure, as in the letter he indicated that he had already left Germany. The letter highlights the closeness of Germany's biggest bank

to the failed property developer.

owed to more than 40 bank creditors. Tradesmen and small businessmen are owed another DM250m. The group's remaining cash resources were estimated at just DM5m when Jürgen Schneider AG, the holding company at the heart of the group, filed for bankruptcy last Friday.

Deutsche is thought to be owed

DML2bn (\$700m) by Schneider-

out of a total of at least DM5bn

Deutsche Bank is believed to be the only bank to have received a communication of this nature

Mr Schneider asked Mr Ulrich Weiss of the Deutsche Bank to provide further cash for the company in his absence and if necessary to implement an orderly winding up of the property group's affairs. The letter arrived at Deutsche's headquarters in Frankfurt by special messenger on Thursday April 7.

According to some press reports, Mr Schneider was last seen that Thursday, leaving his headquarters in the town of Könarmour-plated Mercedes 600, with Mr Schneider, in his absence, his wife Claudia and his daughter alleging fraud.

Speculation continues about Mr Schneider's whereabouts, with suggestions that he has fled to either Iran or Florida. After receiving the letter, the bank quickly started talks with Jürgen Schneider AG officials.

The bank rejected the request for further finance on April 10. The group's difficulties were made public late last Monday.

igstein near Frankfurt in his Three days later Deutsche sued

Deutsche has insisted that it was not the company's "house hank", with an especially close relationship to the group, as is

In its fraud claim. Deutsche alleged that Mr Schneider pro-vided false information in documents used to support a loan application for the Zeilgalerie shopping development in Frankfurt's city centre.

Serbs' drive on Gorazde puts UN policy in tatters

Bruce Clark In London

Bosnian Serb forces edged back from the centre of Gorazde last night after sending armour into nic growth in Spain the heart of the town and leaving in tatters the United Nations and Nato policy of making the Moslem enclave a safe haven.

Mr Radovan Karadzic, the Bosnian Serb leader, said he had ordered a ceasefire to come into force today at 8am and he had approved the creation of a 3 km exclusion zone around the town.

The Serb withdrawal ended a day in which UN policy seemed be in increasing disarray. The latest advance followed an earlier UN claim that it had negotiated a ceasefire and an agreement to deploy 350 peacekeepers in the uered town.

More than 20,000 residents of outlying parts of the enclave took shelter in the town centre as Serb forces took up position half a mile away and cut the town in two by raining fire on its central bridge across the river Drina.

PAGE 2 ■ Goradze debacle exposes UN ■ Serbs excel in the politics of brinkmanship

"In military terms, the Serbs now have Gorazde," a UN source said. The advance in Gorazde reflected a triumphant mood both among the Bosnian Serbs and in Belgrade, after the downing of a British aircraft on Saturday.

The latest Serb advances amount to a humiliating reversal for Western governments, which have declared Gorazde a safe area but have been unable to prevent its effective capture, even after recourse to air power. Mr Boutros Boutros-Ghali, the

UN secretary-general, said he would today consider ways to ensure that the Serbs complied with UN resolutions. But Mr Yasushi Akashi, his representative in Bosnia, said UN forces might have to withdraw from

Gorazde were hampered vesterday by the absence of UN ground troops, who in the past have guided Nato fighters to their tar-

The latest Serb onslaught was in direct violation of promises to Mr Vitaly Churkin, the Russian peace envoy, to observe a ceasefire. Russian officials acknowledged that the Serbs had misbehaved but added that Western air strikes were partly responsible

for the deteriorating situation. in mid afternoon, scores of panic-stricken people poured into the local headquarters of UN High Commission of Refugees, saying a tank was advancing. Later the tank edged away from the heart of the town.

Virtually all 65,000 residents of Gorazde are now crowded into the town centre, and a UNHCR spokesman said the food situation could soon become critical unless there is a ceasefire.

An aid worker in Goradze said there appeared to be a deliberate Serbian policy to herd people into such a small space that their hiv-

ing conditions become unbear able.

The Serbs' capture of the town will help them to establish a greater Serbia - one of their key war aims. It will establish an uninterrupted link between their territory in eastern Bosnia and Serbia proper. They will now be negotiating from strength and will control the strategic heights

outside the town. UN troops from Britain, France, Ukraine and Egypt were last night on stand-by to enter the town.

Earlier, the Bosnian Serb forces released 19 UN personnel. from Canada, who had been detained for three days in retribution for Nato air strikes. However, about 150 UN personnel were still being held behind Serbian lines in Bosnia.

During his 24-hour visit to Belgrade, Mr Andrel Kozynev, Russia's foreign minister, after meeting President Slobodan Milosevic of Serbia on Saturday, said he had secured a promise that all UN personnel would be freed.



Tsutoma Hata: set to become Japan's next prime minister-

Britain backs UN warning on troops pull-out

By David Owen in London

Britain would be prepared to back moves to pull United Nations troops out of Bosnia, Mr Malcolm Rifkind, UK defence secretary, indicated yesterday, as ministers came under cross-party fire over their handling of the

Mr Rifkind said the UN was right to warn that it would have to pull out of the region completely if it became impossible to fulfil its peacekeeping mandate.

of armchair commentators that the warring factions in Bosnia could be bombed into submission by Nato air strikes.

His comments came as the opposition Labour party accused Nato's political leaders of "indecision and vacillation" while renewing its call for an emergency meeting of the UN Security Council.

Mr Jack Cunningham, opposition spokesman on foreign

In a BBC Radio interview, he affairs, said there did not seem to be "any clear political strategy to guide military action on the ground at Gorazde". Nato and the UN "must make clear to the Bosnian Serbs that if the ceasefire does not endure, then

air strikes will result". The government also came under attack from its own supporters. Mr Terry Dicks, Con vative MP for Hayes and Harlington, said he was "appalled" Britain was still thinking about

patting in more troops. Calling

UBS held

suspected

Colombian

drug money

Leading Swiss bankers' pride in

the care they take to avoid han-dling dirty money has been

bruised by revelations that Union Bank of Switzerland has been holding \$150m in Zurich for an

By lan Rodger in Zurich

for British troops to be withdrawn "straight away", Mr Dicks said: "Yet another British soldier has been killed. We should not be there. We have no business there."

But another Conservative - Mr Patrick Cormack, MP for Staf-fordshire South - said such a pull-out would be a contemptible

fresh criticism in the House of Commons today if a Labour demand for Mr Douglas Hurd, foreign secretary, to make an immediate statement to MPs is accepted.

Downing Street said last night that Mr John Major, the prime

abdication of responsibility. minister, was being kept Ministers are likely to face informed of developments while to his Huntingdon constituency. Mr Rifkind criticised countries which had not so far honoured pledges to send more troops to Bosnia, saying Britain had taken the lead in requests for troops.
Of 1,300 provided in the last two weeks, 900 had been British.

Economists warn as China heads for **growth of 11.5%**

By Tony Walker in Beijing

China is heading for 11.5 per cent economic growth this year, compared with a government target of 9 per cent, according to a leading Chinese research institution, which warns the authorities they have yet to get a grip on infla-

in another sign of official concern at the overheating of the economy, the People's Bank of China, the central bank, has introduced a moratorium on investment funds, which it fears are contributing to speculation and draining savings needed to finance government bond issues.

China's Academy of Social Sciences believes the booming economy, which grew 13 per cent last year, will begin to slow, but it says the government has been too optimistic in its forecasts for

Economists at the academy, regarded as the leading Chinese "think-tank" on the economy, expressed concern about the continuing surge in inflation. Costof-living increases in urban centres are more than 25 per cent

up on the same period last year.

The Chinese government is engaged in the delicate task of reining in its runaway economy. while avoiding the kind of abrupt dislocation that contributed to

the social unrest of the late 1980s. The authorities have been seeking to puncture a boom in capital spending which has been one of the chief causes of inflation. Growth in fixed-asset investment is forecast to slow this year to 12 per cent compared with last year's 50 per cent surge.

The credit squeeze appears to be taking its toll on the state sector, according to figures released by the State Statistical Bureau, which showed that output by state firms, half of them in the red, grew by just 2.2 per cent in the first quarter. That compared with output

growth of 32.1 per cent cent for collectives, including township enterprises, and 79.1 per cent for other sectors such as joint ven-Meanwhile the People's Bank

alleged Colombian drug dealer for several years.

Though it is by far the largest amount of drug money uncovered in a Swiss bank, the account is not the first of its kind. In 1989 a parliamentary commission accused the public prosecutor of laxity in pursuing narcotics

> Whiter), became a best-seller. But this latest case is a surprise in the light of the efforts made by Swiss authorities in the last few years to outlaw moneylaundering and force banks to stop dealing with criminals. The controversy began when

investigations, and a book with

the title, La Suisse Love Plus

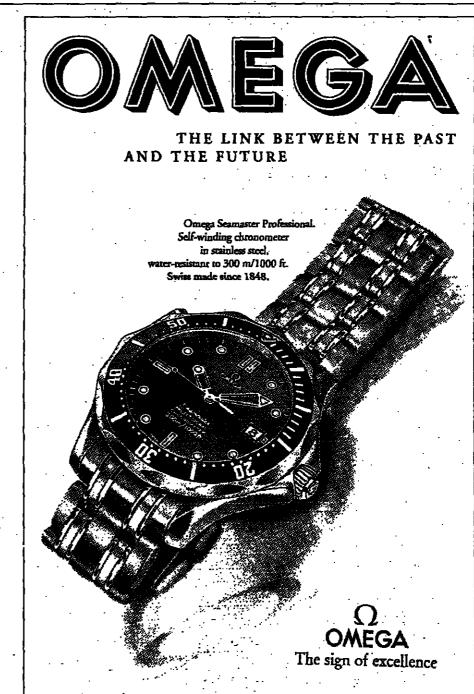
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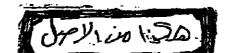
Mrs Sheila Miriam Arana de Nas-

declared the moratorium on new ser, who held the account Continued on Page 12 Continued on Page 12 CONTENTS The Mar Flocard Indians . Emerging Markets _____ 17 World Currencies Guide __ 17 World Bond Markets _____ 18 Foreign Exchanges FT World Actu New int. Bond leaves _ Vehicle Pleet Max. .. Section

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LONDON - PARIS - FRANKFURT - NEW YORK - TOKYO





By David Gardner

Expansion of the European Union to bring in Sweden, Finland, Austria and Norway in January next year could now hinge on the votes of a score of former Italian communists in the European Parliament.

Following the near collapse of the enlargement process over the now-settled row between Britain and its partners over EU voting rights, it is emerging that the European Parliament may not be able to the accession treaty for entry to take place on time.

Any setback in a tight time-table could further inhibit the, at best, lukewarm enthusiasm for Europe among the population of the four applicant countries, all of which must submit Union membership to

The European Parliament has to approve the accession treaty by a majority of 260 of its 518 members on May 4 to keep to the timetable. After May the Strasbourg assembly dissolves for the June Euroelections, and could not look again at enlargement until September at the earliest. This would derail the four newcomers' referendum plans.

But senior officials at the parliament, after canvassing the main political blocs, have so far secured pledges of only 248 votes at best.

Part of the problem is that about a quarter of MEPs rarely attend the parliament. Around half can expect to be replaced in June and, in May, many will be campaigning for

The apparats of the two largest blocs, the 198-strong Socialist group and the Christian Democrats - numbering 162, including 32 British Conservatives - are exerting strong pressure on their constituent parts to attend and to pass the enlargement.

But on the latest calculations the Christian Democrats can only field 100 votes and the Socialists 109. Among the smaller groups, 22 liberals, 14 French Gaullists and Irish Pianna Fail members, and three rebel Greens bump the figure up to 248 - 12 short of a

majority. The key lies, therefore, in the Socialist bloc where the only, as yet, undecided group big enough is the 31-strong Socialists which, following the implosion of the Italian Socialmeans the 20 MEPs of the Party of the Democratic Left (PDS) or former communists.

Belgian, Dutch, and some German and French Socialists - as well as some Christian Democrats from these countries - are refusing to back the enlargement because they want a "deepening" of integration to accompany the Union's widening".

They are annoyed at the marginal concessions on voting rights made to the UK last month, which they argue will make EU decision-making, in which the parliament has a greater stake after Maastricht, more difficult.

Even five of the 45 British Labour MEPs, ordered by their party leader Mr John Smith to support the enlargement. appear unlikely to vote Yes.

This line-up could change, especially following intensive lobbying by Scandinavian and Austrian Socialist leaders this

Mrs Gro Harlem Brundtland, the Norwegian prime minister, Mr Carl Bildt, the Swedish premier, and a phalanx of applicant country ministers will continue the lobbying in Strasbourg tomorrow.

Member states' political expediencies will ultimately determine fate of Bosnia effort

UN exposed by debacle in Gorazde

By Bruce Clark

Britain's Ministry of Defence was yesterday referring all inquiries about its troops' involvement in the worsening conflict in Bosnia to Unprofor. the UN protection force.

But when Mr Malcolm Rifkind, UK defence secretary, is challenged about the issue in parliament this week, that sort of answer will not be enough. He will have to account for his own stewardship of Britain's armed forces.

In Washington, politicians sometimes talk about the US involvement in Bosnia as though it was a purely national concern; and other times they remember to pro-claim their dogged compliance with whatever they are told by

With the UN's firepower and bureaucratic empire growing by the day, politicians in many countries have been tempted to use it as an alibi when things go wrong. But the disastrous etbacks of recent days have left the UN in danger of being exposed as a colossus with feet of clay: certainly no more, and often less, than the sum of its national parts.

Mr Yasushi Akashi, the senior UN representative in Yugoslavia, suggested at the weekend that the UN might have to withdraw from Bosnia altogether. For Mr Akashi and the UN secretariat, this would be a logical response to an unsustainable position. But individual members of the Security Council have entirely different, often conflicting, considerations to take into account. Therein lies the UN's weakness. It does not speak with a single voice, and not even its enemies treat it as a

single institution. The Serbs' attack on a British unit in the Sarajevo area over the weekend would suggest that they, at least, are not influenced by the colour of soldiers' helmets: they know who their enemy is.

By Robert Graham in Rome

The slow constitutional

procedure for forming a new Italian government grinds into

gear this week when President

Oscar Luigi Scalfaro begins

talks with the leaders of politi-

It is now a virtual certainty

that Mr Silvio Berlusconi, the

media magnate, will be called

upon to head the next govern-

ment, but he is unlikely to be

given the mandate until after

On April 25 Italy celebrates

the nation's liberation from

fascism and Nazi occupation.

President Scalfaro is said to be

anxious to avoid this being

turned into a destabilising

demonstration against the new

Mr Silvio Berlusconi, who is

most likely to be Italy's next

prime minister, has made the

first move to distance himself

from his Fininvest business

empire by altering plans for

the flotation of his publishing

interests and accepting the

principle of a majority stake

Mr Berlusconi described the

move to sell up to 53 per cent

of shares in his Mondadori

publishing group, once com-

bined with Silvio Berlusconi

Editore (Sbe) his other publish-

being in public hands.

of the Security Council have vested huge powers in the UN and its bureaucracy, but as the Gorazde debacle has shown they have sharply contrasting ideas about how those powers

should be used. Moreover, the UN's ability to exercise its responsibilities depends in practice on contributions of men and money from governments which can be abruptly withdrawn. The UN in Bosnia has been forced to combine the jobs of consensus-builder - dependent on co-operation from the warring parties - and policeman.

Mr Akashi found himself in the former role yesterday when he unsuccessfully asked the Serbs to hold their fire in Gorazde and release 150 UN personnel. He stated on Saturday that if the Bosnian Serbs continued to withhold co-operation, then it would be "mean-ingless" for the UN forces to remain in Bosnia.

His logic was clear enough. It might have been possible for the UN to mix consensus with coercion if the coercion had been so massive that it brought all the parties to the able in a conciliatory mood. But, in practice, coercion has proved less effective than western governments hoped, leav-



On the offensive: Bosnian Serb tank operators in bouyant mood as they wait for battle near Gorazde

ing the UN's position almost

in the end, however, the fate of the UN effort in Bosnia will depend not on Mr Akashi's sound logic, but on the political expediencies weighing on

seek a broader consensus with

the opposition. The move was

intended as a deliberate break

with the nast where the opposi-

tion was co-opted into being

part of the political system by

agreeing to share some of the

senior offices of state - such as

the speaker of the chamber of

chamber of deputies is Ms

Irene Pivetti, a militant catho-

lic aged 31, who was first

elected as a League deputy in

1992. She is the youngest

speaker ever and was elected

with 347 of the 617 votes cast in

Ms Plyetti raised some eve-

brows by her acceptance

speech in which she openly

dedicated herself to God and

man since Mr Berlusconi

stepped down to take up poli-

tics, insisted this was an

important symbolic step. Financial analysts saw the

decision as a necessary move

to reorganise Fininvest's pub-

turnover of L1,900bn (£790m)

and reduce the empire's deht

which topped L3.800bn in 1993.

The new floatation plans,

cleared with Consob, the Milan

bourse watch-dog late on Fri-

day, could raise close to

L1.000bn for Fininvest – nearly

one third more than the origi-

nal plan drawn up last year.

the 630-seat chamber.

The new speaker of the

The IIN's vulnerability reflects Washington's recent refusal to finance an increase in Unprofor's numbers.

ignored both the traditional

homage to the outgoing speaker, Mr Giorgio Napoli-

tano, the highly respected for-

mer communist, and the nor-

mal respectful address of the

In the Senate, the Freedom

Alliance candidate Mr Carlo

Scognamiglio, a Liberal sena

tor who defected to Forza

Italia, just managed to win on

the fourth round against outgo-

ing speaker Mr Giovanni Spa-

dolini by 162 votes against 161.

After the first round of voting

on Friday, which Mr Scogna-

miglio lost, Mr Berlusconi

warned fresh general elections

threat brought a sharp rebuke

involves the unscrambling of

plans which began with a

reverse take-over by the non-

quoted Sbe of the bigger Mondadori Although Monda-

dori's 1993 turnover of L1,787bn

was six times greater than Sbe,

the latter last year raised its

stake to 98 per cent in Monda-

riori. This was to allow quota-

tion of all Mr Berlusconi's pub-

lishing interests and have the

Berlusconi name on the Milan

only the Mondadori name.

stock exchange.

might be necessary. This

US and British officials will be weighting up the domestic political cost of casualties in an ugiv. confusing war against

home and in friendly Islamic countries like Turkey and Sandi Arabia. Nato governments have insisted that air strikes have

the outrage that a massagre of

Moslems would arouse both at

Islamic wrath will fall more on the west, which has disap-pointed the Bosnians with false promises, than on Russia.

of UN personnel, not the 65,000

ern leaders will not escape the

political consequences of a

rout in Gorazde even if the for-

mal purpose of the UN mission

- to protect its staff - is

secured through a successful

which is openly pro-Serb. Moscow has some reason to be embarrassed by the Serbs' continued offensive. Yet Mr Andrei Kozyrev, Moscow's foreign minister, never made the extravagant claims on behalf of his diplomatic approach that were repeatedly advanced by armchair advocates in the west

of "bombing the Serbs". Mr Kozyrev will now tell his western counterparts in the Security Council that Russian diplomacy sometimes works whereas western air strikes do

Walesa threatens to call elections By Christopher Bobinski

in Warsaw

The row between Poland's President Lech Walesa and the ruling coalition government over the appointment of a new finance minister escalated at the weekend when the president threatened to dismiss parliament and call new elections.

Tension between Mr Walesa and the government heightened after deputies from the ruling post-communist Left Democratic Alliance (SLD) and the Polish Peasant party (PSL) tabled draft changes in the country's interim constitution giving parliament the right to overrule the president's veto on government appointments.

President Walesa, in Litomysi in the Czech Republic at a meeting of central European neads of state, said he did not believe the coalition would go shead with the changes. "But if they do, that means elections. I will convince the people of the danger of the course the coalition is taking," he

The coalition's move has been prompted by Mr Walesa's refusal to accept the appoint ment of Prof Dariusz Rosati, a UN economist and SLD supporter, as finance minister, following the resignation in Feb ruary of Mr Marek Borowski. Mr Borowski had argued with Prime Minister Waldemar Pawlak over control of economic

The coalition is arguing that the present interim constitution, passed in 1992, needs to be amended as the president's right of veto over cabinet appointments deprives the governing majority of the power to replace ministers. The consti-tution, as it stands, gives parliament the right to overrule a presidential veto only when the cabinet is initially

Mr Alexander Kwasniewski the SLD leader who has per-suaded Mr Pawlak to support the amendment, called yesterday for talks with the presi dent in the hope he could be persuaded to accept Mr Rosa-ti's appointment and avoid the need for constitutional change. The accord between the

coalition parties marks a change of heart for Mr Pawlak, who had initially opposed Prof Rosati's appointment. Mr Pawlak still wants to increase his control over financial policy; this had been handed to the SLD under the agreement establishing the coalition last

The president's hand is not strong as the coalition needs just four further votes for the amendment to pass. The constitution also only permits the president to call mid-term elections if parliament is unable to appoint a government or pass the annual budget. The next parliamentary elections are due in 1997.

Reuter adds from St Petersburg: Prof Rosati said yesterday he was still willing to become Poland's finance minis ter, provided the long wrangle about the appointment did not seriously damage the economy. "I don't consider myself as a

candidate but apparently the coalition does," he said. "I wouldn't object... I would accept."

He added: "The economy can fall into disarray. If something fundamental changes in the economy i would reconsider."

Among his priorities as finance minister would be promoting privatisation and enterprise restructuring. It would also be necessary to start work on the 1995 budget, which would be financed in different ways to the past, he said.

One possibility would be to raise a Eurodollar loan, and work had to be done on signing a deal with the International Monetary Fund

SERBS EXCEL IN THE POLITICS OF BRINKMANSHIP

Mr Radovan Karadzic, Bosnian Serb leader, recently boasted that the "west had played its last card," Laura Silber writes from Belgrade. He has revelled in recent Serb successes, proclaiming that his people are on the verge of defeating not only their Moslem foes in Gorazde, but the entire western world.

Serb leaders have excelled in the politics of brinkmanship, brazenly snubbing the west - and even their traditional friends in Russia - as they pursue their political and military goals. Last week Mr Karadzic proudly told Serbs troops besieging Gorazde: "You are the best army in

Despite speculation of splits among the

right-wing government that is

backed by the neo-fascist MSI/

National Alliance which is

inspired by the ideals of Mus-

The way was opened at the

weekend for forming the next

government by the election of

the speakers of the two houses

of parliament. The Freedom

Alliance, composed of three

main parties - Mr Berlusconi's

Forza Italia, the populist

Northern League, and the

National Alliance - and the

small Christian Democrat Cen-

tre succeeded in having both

This is the first time in

Italy's post-war parliamentary

history that a future governing

alliance has sought to impose

its own candidates and not

able sacrifice". Until now Mr

Berlusconi has always insisted

on having majority, if not abso-

Only two of the more than 300 Fininvest companies -

Mondadori and Standa stores

group - are quoted and both

these were acquisitions. Pub-

lishing accounts for some 20

per cent of Finvest's business.

Europe's second largest media

Mr Berlusconi would still be

able to exercise control of

Mondadori and it would be sur-

prising if he did not seek a

friendly shareholder to guaran-

tee such control. But Mr Fidele

ers had too much influence on

Russian policy, and favoured a

planned economy over a mar-

Mr Alexander Tsipko, one of

the country's leading political

philosophers, said Russia

"never had a national con-

sciousness: it is uniquely with-

out a national state". For Mr

Tsipko, the destruction of the

Soviet Union was also a

destruction of a state in which

Russians had felt at home: con-

empire.

lute, control of his companies.

Berlusconi moves on Fininvest

their candidates elected.

Right-wing allies see their candidates elected as speakers

Way clear for Forza Italia chief

deputies.

political and military chiefs, Serb leaders appear united in the face of western inde-cision.

When Gen Sir Michael Rose, UN commander in Bosnia, last week requested close air support to protect UN personnel under fire in Gorazde, they added him to their list of international actors who had to be hanished.

"General Rose has finished his mission in Bosnia", said Mr Momcilo Krajisnik, speaker of the Bosnian Serb "parlia-

While President Slobodan Milosevic of Serbia has held back from displaying open derision towards the west, the Ser-bian media have hailed the onslaught on

Gorazde. Serbian television has broadc pictures of a ruddy-faced Gen Ratko Miadic, the Bosnian Serb commander, surveying the advance of his troops from the high ground around Gorazde. Banner headlines rejoiced over the Serb

forces' shooting down of a British Sea Harrier jet over Gorazde, an incident taken as proof of Nato's weakness in comparison with the Serbian army.

The military moves in Bosnia in defi-ance of the outside world have been echoed on the political front in Serbia. The leadership in Belgrade has restricted the movement of UN personnel inside the Serbian republic, and introduced entrance

Spain expects exports to lead recovery

By David White in Madrid

The Spanish government is increasingly confident that the economy will grow this year according to Mr Pedro Solbes. economy and finance minister.

The current account could since 1986, when Spain joined the European Community. Last year it showed a deficit of Pta632bn (£3.1bn). Mr Solbes expects the

export-led recovery to be closer to 1.5 per cent than 1 per cent". His forecast is higher than most private projections, although there is consensus among analysts that Spain will show positive growth. The 1993 recession was Spain's worst economic performance in 30 years.

Sluggish private consumption and limited investment growth would be offset by a sharp rise in exports and tourist receipts, Mr Solbes said. Both exports and imports were increasing faster than the government expected.

Unemployment, the highest in Europe at almost 24 per cent according to the last quarterly survey, should begin to fall in the second half of the year, with a sharp reduction in 1995 and 1996, he said.

With Mr Berlusconi likely to Inflation, now running at an head the next government it was considered better to use annual rate of 5 per cent,

per cent target for the year. Mr Solbes, a political independent in the Socialist government, emphasised the need

including regional government expenditure, accounted for more than 7 per cent of GDP last year. Spain was running out of leeway to increase tax revenues and needed to go further with budget control, he said. This had to include reducing subsidies to lossmaking state companies.

He admitted that privatisa tion in Spain had been "slow and limited" but added that there were few companies that could easily be privatised. It would be unrealistic to expect state steel, coal or shipbuilding companies to be denation-It would be difficult for

Spain to bring its public deficit down to 3 per cent of GDP by 1997, the EU convergence target for the third phase of economic and monetary union. Spain hoped to review its invergence programme with the EU in July.

Reflecting growing government anxiety over the controversy surrounding Mr Mariano Rubio, the former Bank of Spain governor, Mr Solbes said it would be "enormously nega-tive from all points of view" if allegations of tax evasion by

Russia begins to choose between Union and empire Leadership has its responsi-

majority believed that foreign- fining Russia within its pres- this new assertiveness and of

ent borders was to give it an

impossibly narrow compass.

This is a theme which echoes

political discourse in Moscow

much of the contemporary

The views, voiced by men

who are principally seen as

moderates, are uncomfortable

and were identified as such by

the non-Russian participants,

including Germans and Poles.

In Moscow, the leaders of the

other 11 CIS states were deal-

ing with the practical result of

By John Lloyd in Moscow

"Russia faces a choice: that between the recreation of a Union, and the imposition of an empire," according to Mr Sergei Karaganov, influential deputy head of the European Institute think-tank and presidential adviser on foreign rela-

Mr Karaganov was co-chairing a conference outside Moscow last Friday on Russia's place in the world - jointly organised by his institute and the Friedrich Ebert Stiffung, a German think-tank - as leaders of the Commonwealth of Independent States struggled in the capital to cope with the broader international role Russia is now according itself.

The deliberations of the conference shadowed those of the leaders' summit in eerie counterpoint: as the policy analysts saw a greatly strengthened isation" to one where the

Wide differences of interpretation have emerged between Belarus and Russia over their economic union treaty, which seems to hand over all economic levers of power to the Russian government and central bank, writes Leyla Boulton in St Petersburg.

A senior Belarus minister has said Minsk would be allowed to keep a separate central bank and that Russian President Boris Yeltsin supported

Russian hegemony over the

former Soviet states, so the

Russian leadership put flesh on

Mr Mark Urnov, one of Rus-

sia's leading pollsters and

sociological analysts, presented

to the conference a range of

poll evidence which showed

public opinion in the past three

years; from a view in which

"the west was seen as a model,

an Eldorado, the centre of civil-

the huge shift in both élite and

their words

this position. However, a senior Russian minister has flatly denied the claim, threatening resignation if it were the case.

Mr Mikhail Myasnikovich, deputy prime minister of Belarus, said that both the Russian president and Mr Victor Chernomyrdin, the Russian prime minister, had agreed during a CIS summit last week to let it keep a central bank, A treaty forseeing

the liquidation of the Belarus Central Bank was signed on Tuesday despite the objection of its chairman. But Mr Alexander Shokhin, Russia's deputy prime minister, said the government was "categorically opposed" to allowing Belarus have its own bank issue roubles alongside the Russian central bank. He said Russia had agreed to swap Belarus citizens' savings for roubles at a

their own weakness.

Russia has now an agree

ment - still subject to differing

interpretations - with Belarus

on complete economic union

and has seen Ukraine join the

general, and looser, economic

union as an associate member.

It has also pinned Kiev down

to yet another agreement on

the division of the Black Sea

Fleet, with Russia reportedly

taking at least 80 per cent of

generous one-to-one rate only after Minsk's agreement to give up its central bank. "I will resign from government if we go back on this," Mr Shokhin said. He claimed that Mr Chernomyrdin was also opposed to a change in the deal. He had initially agreed to let Belarus retain a central bank with responsibility for monetary emission within limits set by Russia, but later changed his mind.

too is subject to differing interpretations). And it has agreed with the central Asian and many Caucasian states to put Russian frontier troops on external borders, while having military agreements with

nearly all of them. They are committed to developing a tariff-free zone and to forging new links between companies, the latter clearly in the interests of Russia which has by far the largest share of large enterprises.

bilities. Russia has sought to bring Armenia and Azerbaijan to the negotiating table to solve the Nagorno-Karabakh problem and has won an agreement to put its peacekeepers into Abkhazia. These may draw its troops into vicious and apparently intractable conflicts but will increase Moscow's power and prestige while giving its army some-This month's meeting of the

CIS could, in retrospect, be seen as the watershed of the organisation: the one when, after 21/2 years when its existence was in doubt and when its proceedings drowned in unfulfilled treaties, Russia took control.

Mr Karaganov's choice between Union and empire has still to be made but there is now little doubt that the trend is towards one or the other.

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FT writers profile two key politicians in Japan's search for a new premier

EBRD credit to rocket group

The European Bank for Reconstruction (EBRD), designed to help finance eastern Europe's post-cold war transition to a market economy, yesterday signed a \$10.3m credit line for a privatised Russian company which used to make inter-continental missiles aimed at western targets. Mr Jacques de Larosière, president of the slimmed-down and re-focused bank, and Mr Victor Chernomyrdin, the Russian prime minister, began the bank's annual meeting yesterday with the formal signa-ture in St Petersburg of a deal which backs the first use of a Rossian Proton rocket as the launcher for a western communi-

Mr Ron Freeman, the bank's first vice-president, hailed the deal as the bank's first venture into the conversion of the military aerospace industry. Apart from agreeing the standby facility for Khrunichev, the Russian aerospace company, the bank also helped to secure a waiver of former Cocom restric-tions needed to import the \$36m high-tech immarsat satellite into Russia for launching in 1995 and in obtaining insurance through Lloyd's in London, he added. Saab/Scania of Sweden is adapting the satellite for launch at a cost of \$10m. The EBRD has committed over \$560m to projects in Russia and disbursed over \$100m. Anthony Robinson, St Petersburg

Moscow delays taxes

The increased tariffs on a wide range of imported goods originally imposed by the Russian government from March 15 have been delayed until July 1, according to a government statement. The decision followed what the Kommersant Daily newspaper called at the weekend "a wave of protests from the cities" over the prospective price rises on imported goods, which in some large centres make up 25 per cent of the shopping basket. It also follows strong protests from foreign states, led by the US. Mr Ron Brown, US commerce secretary raised the issue last month with Mr Victor Chernomyrdin and received a pledge that the tariffs would be re-examined. John

Balladur losing out to Chirac

Mr Edouard Balladur, the centre-right French prime minister, failed to halt the decline in his popularity in the latest opinion polls, and is now losing ground against Mr Jacques Chirac, the Paris mayor, as the favourite contender in next spring's mesi-dential elections. The prime minister's approval rating fell by two points in the past month to 43 per cent, according to the authoritative IFOP poil published in yesterday's Journal du

This decline marks a stark contrast to his stellar performance last year. Perceptions of Mr. Balladur have since been clouded by a series of humiliating climbdowns culminating in this spring's virtual abandonment of plans for a new minimum youth wage after violent protests by young people and students. He has also been dogged by his government's failure to halt the rise in unemployment. Alice Rausthorn, Paris

Irish rail strike called off

A threatened national rail strike in Ireland, due to have begun at the weekend, was called off at the 11th hour after manage ment and unions agreed to arbitration by the country's Labour Court. The dispute is over changes to work practices and the introduction of new technology on Ireland's antiquated rall network. Forty staff had been suspended for refusing to participate in training courses on the new technology, but following Friday's agreement, they have now been reinstated and the management has decided to postpone for one month the introduction of a productivity package pending the behout Court rating frish tast loses around 199m (\$128m) a year and is estimated to require some 12300m in new investment to modernise its rail network, rolling stock and signal-

Mexico trade deficit up sharply

Mexico's trade deficit deteriorated sharply to \$1.53bn in February, an increase of 24 per cent over the same period last year.

The unexpectedly high deficit may put additional pressure on the peso, which is already trading at the limit against the dollar allowed by the central bank. The February deficit was pushed up by a 19 per cent increase in imports, which reached \$6.02bn in February. Exports rose to \$4.49bn, a 17 per cent increase. Manufacturing exports jumged by 26 per cent. The government sought to blame the growth in imports on buoyant exports in its latest explanation of what the trade deficit is ant exports in its latest explanation of why the trade deficit is a healthy phenomenon. The government said some 40 per cent of the imports in February will be used to make goods that that will soon be exported. Damian Fraser, Mexico City

Zapatistas ready for talks

Mexico's Zapatista rebels are willing to restart stalled peace talks with the government, according to Bishop Samuel Ruiz, talks with the government, according to Bishop Samuel Ruiz, the mediator in the negotiations. The talks have been stalled the mediator in the negotiations. the mediator in the negotiations. The talks have been stalled since March 2, when the government laid out its formal response to rebel demands. On March 24 the Zapatistas suspended consultations with their supporters on the government offer after the assassination of presidential candidate ment of considerable of the constant of dialogue. Domion Fraser, Merico City

Turkish troops kill 57 Kurds

Turkish army commandos, supported by aircraft and helicopter gunships, killed 57 rebel Kurds in five days of military operations in northern Iraq, the Anatolian news agency reported yesterday Quoting military officials, the agency said troops killed the guerrillas of the separatist Kurdistan Worktroops killed the guerrillas of the separatist Kurdistan Worktroops party (PKK) in the mountainous terrain in the Sivi and Marillegraber; regions The operations involving about 40 cm. Merideryakeri regions. The operations, involving about 40,000 troops, are part of a Turkish spring offensive against the rebels in south-east Turkey and northern fraq. Military officials said Turkish troops would remain in northern fraq until the and of supposes. The DKK has benefited from the relitical the end of summer. The PKK has benefited from the political

who met his match

By Michiyo Nakamoto in Tokyo

Policy has largely been neglected in the power struggle that has paralysed Japanese politics. But policy differences are at the heart of the rift that has threatened the fragile coalition government.

Mr Masayoshi Takemura, chief cabinet secretary and leader of the New Harbinger party, or Sakigake, is a central figure in the unfolding drama. with his uncompromising rejection of Mr Ichiro Ozawa, co-leader of the Japan Renewal party and the figure behind many of the coalition's accomplishments. Both Mr Takemura, a member of the left-leaning faction of the coalition, and Mr Ozawa, a right-winger, broke away from the Liberal Democratic party last year, but they have serious policy and mai difference:

On the surface, the crack has seemed to stem from personal enmity. Mr Takemura's idealism and low-key style have been seen as the antithesis of the cold pragmatism and abrasive manner of Mr Ozawa.

As chief cabinet secretary,



Takemura: an idealist being

coalition to undermine him which, it is widely believed, were initiated by Mr Ozawa. The former prime minister, Mr Morihiro Hosokawa, had been close to Mr Takemura when the coalition was formed last year but appeared unable or unwilling to protect him.

While Mr Takemura frequently stresses the impor-Mr Takemura has been embar-rassed by moves within the ment, Mr Ozawa's forte is tance of transparent govern-

cutting deals in smoke-filled rooms. On several occasions, Mr Takemura has criticised Mr Ozawa's tactics as opaque and undemocratic.

Takemura: an idealist Ozawa: the shogun

Mr Takemura persistently refused to enter discussions last week after indications that the coalition would be dominated by Mr Ozawa's JRP. This personal dispute made it impossible to paper over differences the two have in policy direction and highlighted the fragility of a coalition formed more for political convenience than out of shared interests.

While Mr Ozawa favours a more active role in maintaining international security, Mr Takemura believes Japan should stick to its pacifist constitution and reject decisions that could lead to military He spent a year in his youth

at a Zen temple and urges Jap-anese to focus on the quality of their lives rather than the quantity of goods in their lives. But with Mr Takemura having staked his role in the coalition government on a showdown with Mr Ozawa, it looks as though his idealistic views were no match for Mr Ozawa's

By Emiko Terazono in Tokyo

Mr Ichiro Ozawa could not be called one of Japan's more folksy politicians. But on a morning variety show, Mr Ozawa tried to reach out to an audience of middle-aged housewives, revealing that he loves showbiz gossip, takes care of budgies in his spare time and, although like any husband he has hed to his wife a few times, as a politician he has always told the truth.

His congenial manner and wide smiles, however, have failed to convince residents of Nagatacho, Tokyo's political district, who have been watching Mr Ozawa and his backroom manoeuvrings over the creation of the next government. To them he is no ordinary Japanese husband, but the shadow shogun - the back-

room fixer of Japanese politics. Immediately following Mr Morihiro Hosokawa's resignation as premier, the coalition looked likely to split along its two ideological lines: the right, including Mr Ozawa's Japan Renewal party, and the Buddhist-backed Komeito, or Clean Government, party; and the



Ozawa: realises that political power lies in numbers

binger party, Socialist Democratic party and the Democratic Socialists.
Mr Ozawa had initially considered cutting off the coalition's left, and filling the gap by teaming up with Mr Michio

Watanabe, a Liberal Democratic party elder and a former foreign minister. Mr Watanabe is close to Mr Ozawa in his beliefs, asserting that Japan should take on a more active

confined to shadows role in international affairs However, the situation has boiled down to a battle for numbers. Once it become apparent that Mr Watanabe could not bring enough followers from the LDP, and Mr Masayoshi Takemura of the NHP was trying to join the coalition's left with LDP liberals, Mr Ozawa quickly changed

> Although a self-proclaimed eformer of Japanese politics, Mr Ozawa has had to resort to tactics nurtured under Mr Kakuei Tanaka, Mr Noboru Takeshita, and Mr Shin Kanemaru, the former powerbrokers of the LDP. "Mr Ozawa knows too well that political power only lies in numbers," says Mr Takao Toshikawa, editor of Tokyo Insideline.

But during the TV appearance in front of housewives. Mr Ozawa denied wanting to become prime minister. As much as he would like to stand at the helm, Mr Ozawa realises he must remain the shadow shogun. He knows that, once he steps into political limelight, his days of power and "money" politics alongside Mr Takeshita and Mr Kanemaru

Bangladesh to be urged to spend more pledged aid

By Stefan Wagstyl in Dhaka

Bangladesh is this week expected to secure about \$2.1bn in pledges of foreign aid from its donors at its annual aid consortium meeting in Paris.

The funds, in loans and grants for the year starting in July 1994, will help pay for food and the development of infrastructure and social services in Bangladesh, one of the world's poorest countries. The promised funds will be about the same as in the past two

However, officials from donor governments and organi-sations led by the World Bank are likely to press Bangladesh to use more of the aid it is pledged. The Bangladeshi government has consistently failed to absorb all the promised aid and has allowed a backlog of some \$5.5hn in unspent pledges to accumulate.

Aid dispersement has been held up mainly because gov-ernment officials have been unable to implement rapidly the construction and other projects to which much aid is dedicated. Despite efforts to accelerate public investment, there will be little progress in this regard in 1993-94. The government's annual development programme budget has already been cut from Tk97.5bn to Tk85bn (\$2.16bn) because of

Mrs Khaleda Zia, the prime minister, said in an interview that she was trying to acceler-

are under way to remove procedural bottlenecks and speed up both public investment and aid utilisation."

The World Bank sees the lack of public investment as a drag on economic growth. In the year to the end of June 1994, bank officials expect to see GDP growth to be a modest 5 per cent or less. The country is unlikely to improve rapidly the lot of its poor unless it achieves growth of 6-7 per cent, say bank officials.

This growth rate can be reached, they add, only if investment rises from last year's level of 13 per cent of

Government officials accept this argument and are trying to raise the ratio to 14.5 per cent this year and 15.5 per cent in 1994-95 by increasing public investment. The public works programme should get a boost from the start of construction on a \$700m bridge across the Jamuna river in central Bangladesh - the country's largest

investment scheme. To stimulate private invest ment, the government is extending the liberalisation of foreign trade and investment it has carried out since taking power in 1990. Last year the taka was made fully convertible on the current account. Exports, led by garments, are forecast to grow by nearly 20 per cent this year and next, extending recent rapid rises.

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China holds three for boat deaths

Under intense pressure to explain how 24 Taiwanese died in a boat fire, China announced yesterday the arrest of three men suspected of robbing and mardering the tourists, AP reports from Bei-

China's failure to explain the mysterious boat fire that killed 32 people - eight mainland Chinese and the Taiwan-

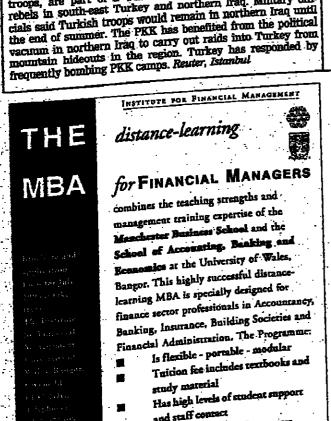
detente between the two sides. Taiwan announced plans last week to ban travel to China and to suspend cultural

exchanges unless Beijing gave a satisfactory explanation. After first describing the fire as an accident China said on its national television news that the Taiwanese had been robbed and murdered on Thou-



and examine the challenges it will face in 1994 and the implications for the international business community. The survey will reach an estimated international readership of 1 million.

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IMF predicts 3% growth

By George Graham In Washington

The International Monetary Fund is forecasting world economic growth of around 3 per cent this year, with a stronger recovery to between 3% and 4 per cent growth in 1995.

In its world economic outlook, due to be published on Wednesday just before the twice-yearly meeting of finance ministers on the IMF's interim committee, the IMF predicts that global growth this year will approach the average level it achieved in 1976-85, before moving above the average next

Growth in the developing countries is expected to remain remarkably steady", according to a senior IMF official, while in the industrialised world only the US, Canada, the UK and the Nordic countries have pulled out of recession.

"We are still below average in the industrialised countries, because we still have only one or two engines working, while the others are struggling," a senior IMF official said.

IMF economists believe that the Japanese economy has bottomed out, and that with normal output in continental above its historic trends next extremely negative overtone,

"Globally speaking, the economy is well into the growth phase of its cycle," an official

The IMF believes the big industrialised countries have followed many of the prescriptions it laid out at last year's spring interim committee meeting: completion of the Uruguay Round of trade negotiations, efforts to tackle the budget deficit in the US, lower interest rates in Europe and an attempt at fiscal stimulus in

Nevertheless, they warn that the current recovery carries an

because it has not been accompanied, particularly in Europe, by any appreciable recovery in

"The risk is that the level of structural unemployment establishes itself somewhere above where it was at the end of the last recession," a semior official said.

This unemployment problem was tackled by ministers from the Group of Seven leading industrialised countries in Detroit last month, and is expected to be on the agenda for the full G7 summit of presidents and prime ministers in Nanles in July.

Support for SDR issue sought

The International Monetary Fund is looking for new ways to make its idea of expanding global foreign exchange reserves more palatable to the industrialised countries by spreading the expansion out over five years.

IMF managers are expected

next week to ask finance ministers from member countries, as they have at each of their twice-yearly formal meetings for the last three years, to think again about a new issue of special drawing rights, the basket of currencies that the Fund uses as its own accounting instrument and which also functions as an international

Mr Michel Camdessus, the IMF's managing director, has repeatedly called for a new allocation of SDR36bn (\$50.4bn) to member countries, arguing

that many countries - espe-cially those in eastern Europe and the former Soviet Union who have joined the IMF since it last issued new SDRs in 1981 - are desperately short of currency reserves.

These new members have no SDRs in their reserves, but older members have been reluctant to pass on any of their own SDRs. The DMF's statutes forbid a restricted issue of SDRs to only some

In the face of continued hostility to the issue from Germany, the US and the UK. which fear the injection of new reserve assets could fuel inflation around the world, IMF officials have drawn up a scheme to allocate only SDR16bn at the outset, adding SDR5bn more each year until international reserves have reached the desired level.

this moment. There is a huge number of countries with insufficient reserve assets, and a huge number of countries whose import capacity is constrained by lack of reserves," a senior IMF official said.

Progress going at 'a respectably slow pace'

Officials have been dismayed at the difficulty of extracting money from the industrialised countries to finance development through instruments such as its enhanced structural adjustment facility (Esaf). which lends money at very low interest rates to the poorest countries.

They argue that an SDR allo-

development ends by monetary scarce budgetary resources and requiring long parliamentary debate in donor countries.

Parliamentary debate would however, be necessary in many countries for a further plan for industrialised countries to give back their share of an eventual SDR allocation to the IMF, to help finance the developing countries and the transitional economies of eastern Europe and the former Soviet Union.

The IMF has suggested a mechanism of co-financing trust accounts, under which richer countries would voluntarily put up their resources to complement the IMF's own im-

IMF officials acknowledge that the idea of an SDR allocation is unlikely to come to fruition any time soon, but insist that it is making progress "at a

Israel eases Palestinian bar

By Julian Ozamne in Jerusalem

Israel yesterday slightly eased an 11-day-old ban barring the nearly 2m Palestinians from entering into Israel but said closure of the occupied territories would continue indefinitely.

Mr Amnon Rubinstein, education minister, said the cabinet had agreed yesterday to grant 16,000 entry permits to Palestinians for humanitarian easons and 4,000 work permits for Palestinians employed in Israel's agricultural sector.

The government approved Shk30m (\$10m) for public works and aid to assist Palestinians suffering from inability to travel to their jobs in Israel since the entry ban was imposed by the Jewish state to try to prevent attacks by Palestinian extremists.

The cabinet also issued a strong warning to the Palestine Liberation Organisation after hearing security reports which alleged the PLO had local co-operation agreements with the Hamas Islamic Resistance Movement, responsible for two recent suicide attacks on Israelis. The warning to the PLO came after Mr Yitzhak Rabin, the prime minister, lashed out at Jordan last week for allowing Hamas to operate offices and issue media statements in Amman and called on the government to close down Hamas offices.

King Hussein on Saturday said Hamas was illegal in Jordan and denied his government helped the Islamic guerrilla group. Hamas responded saying it would strike Israeli and Jewish targets worldwide if Israel attacked its leaders or political and media offices abroad. Hamas's military wing



Chief Israeli negotiator Gen Ammon Shahak arrives at a Cairo hotel yesterday for negotiations with the PLO

View from Judea and Samaria

in which Israeli blood and interests and Jewish communi-

respond to every attack by a stronger one." But Hamas also

tabloids, for a population of

5m. With the exception of the

attacks on Israeli civilians if Israel halted assaults against Palestinian civilians. Israeli concern about Hamas

rose as the PLO and Israel resumed peace talks in Cairo on a long-delayed agreement providing for Palestinian self-rule in the occupied West Bank town of Jericho. Major General Amnon Shahak head of the Israeli delegation, said: "I do not expect we will finish this week, but let us see what happens next week."

Israel and the PLO have sev eral issues left to finalise including the security zoning arrangements in the Gaza Strip, the jurisdiction of Palestimian courts in Gaza and Jericho - especially their power to prosecute Israelis - the fate of Islamic extremist prisoners held by Israel, and water issues.

slow reta

astaxes c

On the economic track of talks in Paris, both the PLO and Israel say they could complete an agreement by the end of this week to establish the economic relations between Israel and the self-governing Palestinian economy. Both sides have already reached final agreement on energy, industry and agriculture and have a conditional understanding on taxation subject to agreement on the rate of value added tax to be levied in the Palestinian economy. The two sides have yet to agree on on the size of the Palestinian migrant work force that will be allowed to fill jobs in Israel, and Palestinian demands for their own currency. Meanwhile. Israel vesterday

attended multilateral Middle East talks on water issues in Muscat, Oman. The talks are the first official visit by an

Brazil completes deal to restructure \$49bn debt

By Angus Foster in São Paulo

Brazil has completed the restructuring of about \$49bn of commercial debt, in the last of the main Latin American Brady-style debt reschedulings. The deal, agreed late on Friday night in New York, brings to an end more than a decade of uncertainty over Brazil's relations with the international financial community.

Mr Rubens Ricupero, who took over as finance minister earlier this month, described the deal's conclusion as "an important milestone" in the gramme of economic reform". But with presidential elections this year, and an unstable economy, there is unlikely to be a rush of confidence and foreign investment into the country, as happened in

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(20) days from the publication of the

present a non-binding declaration of

The assets of the enterprise under

liquidation include a fully equipped

hotel unit situated in Ancient

Olympia, Prefecture of Ilia Western

interest in writing.

they completed similar restructurings.

The Brazilian deal was also concluded without the agreement of the Dart family of the US, who hold about \$1.4bn of debt and are the largest nonbank creditors. The Darts opposed the terms of the restructuring and may take legal action to try to reverse the deal.

Brazil and about 750 private creditor banks completed the elaborate debt restructuring after nearly four years of negotiations to exchange the counreduce its total debt burden. The deal offered creditors a choice of six antions to repackage loans and interest overdue into new bonds with maturities of up to 30 years. Brazil's central bank estimated the deal

INVITATION FOR THE

DECLARATION OF INTEREST

FOR THE PURCHASE OF THE

ASSETS OF "ALTIS TOURISTIKO AND

EMPORIKO KENTRO A.E.^a

("ALTIS TOURISM AND TRADE CENTRE S.A.")

Mexico and Argentina after would reduce its debt by \$4bn and bring \$4bn more savings in debt servicing costs.

The Brazilian deal differed from other "Brady-style" restructurings - so called after the 1989 initiative from former US Treasury secretary Nicholas Brady - since it was the first main deal to be concluded without a standby accord from the International Monetary Fund. The IMF was concerned that Brazil's economic reform

efforts are still uncertain. Without IMF backing, Brazil used \$4.6bm of its own foreign exchange reserves as collateral for some of the six options. The first instalment of the collateral, equal to \$2.8bn in the form of US Treasury zero coupon bonds, was delivered on Friday to the Bank of International Settlements, collateral

Peloponnese, on the Regional

Road Pyrgos-Tripoli on the edge of

the city and near the ancient site,

opposite the OTE building and the

The hotel unit is a B class hotel with

a capacity of 61 rooms (55 doubles

- 6 singles) 116 beds and 3 shops.

The hotel unit has been built on a

site with a total area of 1,618.65

sq.m., occupies the entire block

(OT32) and is comprised of a

basement (1,160.26 sq.m.), a

ground floor (1,145.26 sq.m.), a first

storey (1,116.72 sq.m.), a second

storey (956.88 sq.m.) and a top

storey (37.70 sq.m.) and includes

electro-mechanical facilities for the

functional requirements of the

tourism unit and its security (air-

conditioning, fire protection, kitchen

facilities, confectionery shop,

Any interested parties wishing to

declare their interest, and obtain a

detailed offer memorandum or

additional information, are

requested to apply to Mr Georgios

E Poimenidis and Mr Christos

Agathopoulos, 43 Panepistimiou

Street, Athens 105 64, Tel:

restaurant, telephone centre, etc).

Town Hall. Its title is "ALTIS".

Intimidation found ahead of Malawi election

By Nick Young in Lilongwe

run-up to Malawi's elections on May 17 are noted in a report published today by a UN Joint International Observer Group, reinforcing earlier findings of the national Electoral Commission.

Both bodies report intimidation, violence, bribery and theft or confiscation of voters' registration cards. The ruling Malawi Congress party but some opposition parties are also said to be engaged in turf wars and violent disrup

The UN report suggests that government ministers have used the civil service apparatus for campaigning purposes and note that one MP regis tered himself and his family at two separate centres.

Concern is also expressed MacWilliam Lunguzi's asser tion that policemen are not allowed to engage in politics, and therefore may not vote. The UN observers see this as a contravention of the electoral law and the Electoral Commission is threatening to prose-

The Electoral Commission escribed as "respec consider the abuses it has harrier to free elections.

Serious anomalies in the

tion of opponents' rallies.

estimates that 80 per cent of those eligible to register have done so. This figure is the UN group, which does not found to be an insuperable

By Julian Ozanne

No Israeli newspaper can fuel public fears quite like the Jerusalem Post, the English-language daily broadsheet which acts as a mouthpiece for the country's right and ultra-right

wing.
The events of the past 10 days - three attacks by extremist Islamic guerrillas which left 13 Israelis dead have given the Post the opportumity to indulge in the sport of thumping the Palestine Liberation Organisation, the Israeli-Palestinian peace process and the government of Prime Minister Yitzhak Rabin.

"Like the dictatorial regimes which support them, the terrorists believe that negotiaby shooting," the Post said last "Those who say, as the gov-

ernment has done, that the right response to terrorism is to accelerate the negotiations and withdrawal process... are doing precisely what the terrorists want them to do." Editorials like this led the

Post's owner, Mr Conrad Black, to publish a centre-page opinion piece last September making it clear that he disagreed with his newspaper's editorial policy. The Post has its own politicised language - all Arab guer-

rillas are "terrorists"; the Israeli-occupied West Bank is known by the biblical name "Judea and Samaria"; the territories are "administered", not lt also gives regular plat-

forms to right-wing politicians such as Mr Ariel Sharon, Israel's leading hawk. In an opinion article last week Mr Sharon described the incoming Palestinian police force as

ernment was "perpetrating an against Jews in the State of Israel" by allowing the policemen into the territories.

Another favourite pastime of the Post is thumping foreign correspondents reporting Israel in a weekly column called "Eye of the Media" usually written by Mr David Bar-Illan, the newspaper's executive edi-

"It is hard to understand why the opposition wants the government to suspend the talks after every attack," the respected liberal Ha'aretz tor. The column takes the view newspaper sald last Friday.

realistic option.

INTERNATIONAL PRESS REVIEW

that Israel gets an unrelenting negative press abroad and is at war with hostile international media, including The New York

"No paper in the democratic world, except one owned and live in the territories are less snidely anti-Semitic as the Times of that day," Mr Bar-Illan wrote, referring to the coverage of the funeral of the Jewish settler responsible for the Hebron mosque massacre in

February. But Israel is a deeply demo-cratic and pluralistic society with at least nine daily news-

"The strength of a people is measured not only by the number of tanks it posses also by its capacity to live with casualties and loss of life." The 1.9m Palestinians who

news and views are disseminated by leaflets, underground pamphlets and by a graffiti war between the factions. Two Arabic daily newspa-

pers, however, are published in the West Bank under careful monitoring and censorship by Israel and both newspapers are pro-PLO and pro-Arafat,

cerns in the occupied territories about what is seen as Mr Arafat's lack of democracy. After the second suicide

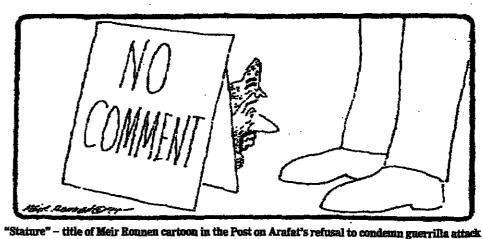
religious Hatsofeh newspaper, Israel's Hebrew press is cenattack by an Islamic extremist trist to left-wing. They support last week both Al-Quds and the peace process as the only An-Nahar took similar editorial lines avoiding condemna-tion of the Palestinian attacks, while stressing that violence occurs against both Arab and Jew and can only be solved by swift implementation of the peace process

"Crying and condemning is not the answer," said An-Na-har. "The answer is Israeli withdrawal from the West Bank and Gaza Strip. The Palestinians have sacrificed much blood and have made many concessions to regain their rights but Israel continues to get around international law." In a series of editorials last closure to a "siege" which had

of Arab East Jerusalem. "Someone should stop Israel from imposing these wanton measures that only complicate and intensify the situation, making peace more difficult,"

caused a near collapse in the

education and health services



Cane opens up east-west divisions

Kieran Cooke on the international row over a Singapore vandalism sentence

ple in the US still unsure where Sineapore is on the map, but probably considerably fewer than six weeks ago. In early March Michael Fay.

an 18-year-old US citizen, was sentenced by a Singapore court to six strokes of the rotan - a heavy bamboo cane - four months in jail and fined S\$3,500 (\$2,200) for spray-painting cars and other vandalism

The punishment is no schoolyard caning. It is administered by a specially trained officer with considerable force. The prisoner is strapped to a trestle. "The skin at the point of contact is usually split open and, after three strokes, the buttocks will be covered in blood," said one official account. The canings usually leave permanent scars. The Singapore authorities say a doctor is always in attendance. Next week Singapore's Presi-

dent Ong Teng Cheong is due to decide whether to grant clemency to Fay. Despite personal appeals for mercy from President Bill Clinton, most people in Singapore say the teenager has little chance of clemency - before the end of the month he will be receiving his punishmen Singapore's leaders, with

support from many other Asian governments, are mounting an increasingly strident campaign against what they consider to be the decadence of the west and the importance of what they call Asian values. In Singapore the Fay case - and the west's reaction to it - is seen as symptomatic of the clash between two very different value systems. From the outset Singapore has made its position clear. "We do not have a situation where acts of vandalism are commonplace as in cities like New York, where even police

cars are not spared the acts of

vandals," said the Singapore Home Affairs Ministry. In the Singapore catechism of Asian values, the west stands accused of putting too much emphasis on individual rights and not enough on society's. Elder statesman Mr Lee

Singapore would have cended into the "chaos" found on the streets of the US. "If you like it that way, that is your problem," said Mr Lee.
"But that is not the path we choose. They always talk about human rights. I think it is just a convenient slogan."

Kuan Yew has said that with-

out its tough criminal laws

The White House, Congress and much of the US media have been strongly critical of Singapore. But a large section of the US public, tired of violence and a justice system which they feel often favours the culprit more than the victim, is giving its support to Mr Lee.

Singapore has no hesitation about attacking the US. Foreign ministry officials list what they consider to be the failures of US foreign policy, and are particularly forthright about what they judge to be Washington's mistakes on China. Yet Singapore is dependent on the US for much of its con-

tinuing economic growth. US companies are the biggest investors there, with cumulative investments of nearly \$19bn, according to official US figures. The US is Singapore's biggest export market. The island republic is also an ardent supporter of continued US military presence in Asia.

Initially US business in Singapore reacted strongly to the Fay sentence. The local American Chamber of Commerce said it could not understand how the government could condone the permanent scarring of any 18-year-old; the case could "cast a cloud over Singapore's international reputation".

But some US residents of Singapore have supported the caning, while US multinationals continue to invest.

CAR A CAMPAGE STREET

Fay's family - his stepfather is the Singapore-based regional executive of Federal Express -and his defenders in the US have argued that because of all the publicity surrounding the case, the teenager has not been treated fairly. They say he is the first person to be sentenced for caning for vandalism of private property. He is also the first youth to be given a caning for damaging cars.

The authorities say the law makes no distinction between public and private property, nor the type of property involved.

Singapore's leaders are adamant that it will allow no outside interference in its internal affairs. Nor do they show any sign of altering a system of punishment which has been done away with in many parts

Rail network faces spending squeeze

By Charles Batchelor, Transport Correspondent

A squeeze on the £1.8bn cost of maintaining Britain's railway network has been pledged by Mr Bob Horton, chairman of Railtrack, the company which this month took over management of British Rail's infrastructure.

Tough negotiations can be expected over the next 12 months between Railfrack and the 14 regional units which

make up British Rail Infrastructure Services (BRIS), responsible for maintaining and renewing track, signalling and power supply equipment. "We will be negotiating with BRIS to make sure we get

maintenance tenders at signifi-cantly lower costs," said Mr Horton. "By international comparison these costs leave something to be desired and we can probably drive them down." Reducing maintenance

priorities for Railtrack if it is to make the return on capital which is required by the Treasury and create a business that will attract private investors in a few years. It must earn a return of 5.6 per cent on its £6.5bn of assets rising to 8 per cent after four

Initially Railtrack will buy in maintenance services from the BRIS units but it hopes also to make use of outside contractors to increase competition.

Ultimately the BRIS units Some are expected to merge to former larger, more viable

The implications for the 33,500 people employed by the infrastructure units are unclear but job reductions appear likely. Mr John Edmonds, the chief executive of Railtrack, said: "I would not underestimate the working practice problems we face." The clampdown on mainte-

themselves will be privatised. broader programme aimed at obtaining better value for money by Railtrack. "We want to take the capital we have available and use it to get the railway into the state of maintenance it should be in." said Mr Horton. "We don't want it sloshing around going to the

> Under BR there was a temptation for spending to go on rolling stock and projects

SWEET LONDON MARATHON '94

OCITIZEN

person who shouts the loud-

nance spending forms part of a which were visible to the cus tomer, he said. The division of track and train operations which has resulted from BR's privatisation should allow track, signalling and back-up systems to receive more

> Railtrack has been allocated 2500m for investment projects this year, rising to £750m in two years. "This is probably as much as we can sensibly spend while we get up and running, Mr Horton said.

Britain in brief



Union chiefs in minimum wage clash

A public argument broke out last night between senior union leaders about the future of the opposition Labour party's commitment to a statutory minimum wage.

Mr Bill Mortis, general secretary of the TGWU general union said that Labour should commit itself to support a statutory minimum wage of not less than £4 an hour. But Mr Bill Jordan, president of the AEEU engineering union, denounced Mr Morris's proposal to fix a precise figure on a national minimum wage

as "irresponsible" Labour party leaders, including shadow employment secretary Mr John Prescott, are also keen not to see any such commitment.

More shoppers for fewer stores

Retail sales are becoming increasingly concentrated with the 10 largest retail chains in the UK accounting for 36 per cent of all sales last year, compared with 26 per cent of sales in 1987, according to an annual shops survey. Kwik Save, a low-cost chain, is the fastest-growing of the multiples, underlining the competition that market leaders now face from

discount stores. Kwik Save has more than trebled its sales since 1987, compared with Tesco and Sainsbury, which have approximately doubled

Cost of living climbs 3.7%

A family of four will need to have enjoyed a 2.8 per cent increase in their income in the year to February in order to maintain their standard of living, says a survey by the Reward Group, a research and

The survey calculates the income needed to maintain the standard of living of eight families. It found that the overall costs of goods and services increased by 3.7 per cent in the year to February, but private housing costs fell by 2 per cent due to lower mortgage rates and lower local

BSkyB gives up channel stake

British Sky Broadcasting, the satellite television consortium, has decided not to exercise its option to keep a 50 per cent stake in QVC, the home-shopping channel which is part of Sky's multi-channel

subscription package. The decision has been taken even though the channel appears to be doing well and is heading for revenues of at least £40m in its first year.

a joint venture between QVC, its highly successful parent in the US, and BSkyB, the satellite group in which Financial Times - has a significant stake.

Hoover customers lobby US parent

Representatives of the Hoover Holiday Pressure Group are to fly to the US for a meeting on Friday with the Maytag Corporation, Hoover's parent company, over Hoover's controversial free flights promotion. The pressure group, which says it has 2,500 members, plans to pursue High Court action against Hoover if it fails to win reassurances

at the meeting. The group will tell Maytag that it wants Hoover to offer customers who failed to get free flights discount vouchers towards the cost of flights.

Pay-offs for executives fall

The size of pay-offs to redundant executives has dropped by a quarter over five ars, according to a survey by Drake Beam Morin, redundancy consultants. In 1989 a typical pay-off was just over four weeks' salary for every year of service; by 1993 this had fallen to just over three weeks, the survey found.

Slow retail sales growth as taxes curb consumers

UK retail sales grew only slowly in March, according to the latest distributive trades survey from the Confederation of British Industry. The survey will be seen as further evidence that consumers have become cautious ahead of the increases in taxation that are imposed this month.

Official retail sales figures will be published on Thursday. The consensus forecast among analysts is for a 0.3 per cent volume increase between February and March and for an annual growth rate of 2.7 per

If weak retail sales figures

are announced on Thursday, hopes of an early interest rate cut will increase. The recently published minutes of meetings between Mr Kenneth Clarke. chancellor of the exchequer and Mr Eddie George, governor of the Bank of England. showed that the chancellor was worried about the potential impact of this month's tax

increases on the recovery, During their meeting on March 2, the duo agreed that signs of a weakening recovery, provided there was news that inflation was under control, might herald a cut. Friday's retail price statistics, which saw a fall in underlying inflation to an annual rate of 2.4 per cent in March, met one half

The CBI survey shows that the balance of those reporting an increase in sales in March, compared with a year ago, was 12 per cent, compared with 10 per cent in February. The balances in early 1994 have been much lower than the levels of 20-30 per cent recorded in the second half of 1993. Figures are calculated by deducting the proportion of those experiencing a decrease in sales from

those reporting an increase.

Mr Nigel Whittaker, chairman of the CBPs distributive trades survey panel, said "the modest growth in retail sales in March is perhaps a further indicator of the uncertainty facing consumers."

Civil service pay

By David Goodhart, Labour Editor

Thousands of civil servants working in Customs and Excise will get no pay rise this

year unless they reach basic performance targets. The deal is the first of what could be a series of imnovative pay agreements in the civil service agencies which havetaken control of pay negotia-

tions for the first time. The pay of about 65 per cent of all 540,000 civil servants will be set by agencies this year, rising to 90 per cent next year. A few organisations such as

the Inland Revenue already have devolved bargaining.

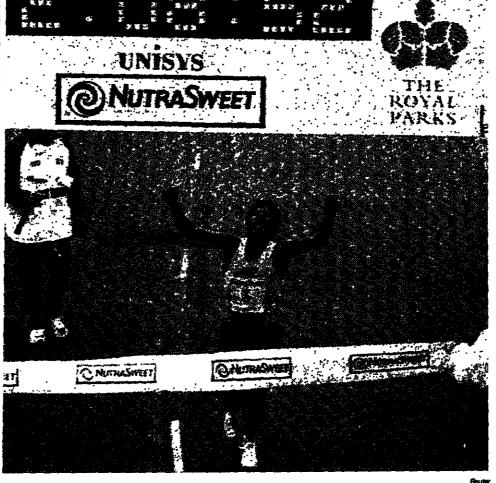
The Customs and Excise deal, which the unions hope might set a trend, will increase the pay-bill by about 2.6 per cent. But unions claim it will increase the pay of some clerical workers by over 5 per cent.

There will be no pay rise at all for senior or junior staff who do not reach basic performance targets but the unions say this is unlikely to affect more than a few dozen people. For Higher Executive Officers and grades below them pay will rise in steps - related to performance from 4.5 per

cent to 6.5 per cent. As the pay deal covers a 14 month period the annualised pay rise will be slightly lower.

The Customs and Excise agreement involves overhauling the previous complex pay grading structure and provides more flexibility and a higher performance pay element.
Mr Mike King, who negoti-

ated the deal for the NUCPS civil service union, said that despite the unhappy experience with some performance pay systems the union was confident that the Customs and Excise system would work



More than 26,000 runners competed in London's 14th marathon yesterday which was won by Mexico's Dioncicio Ceron (above) in 2 hours, 8 minutes. The race, which finished on the Mall in front of Buckingham Palace instead of its usual ending at Westminster Bridge, was the capital's coldest marathon. It was marred by the death of a competitor, expected to be from heart failure | consultancy business.

Kevlar* Nomex* and Tyvek: Protecting the protectors.

irefighters, policemen, pilots and other belpers must often risk their necks to save lives. This takes a lot of courage, but it also takes the right sort of equipment to do the job professionally. Such as protective apparel made from DuPont fibers to effectively reduce the bazards involved.

Thousands of rescuers have in fact been spared severe injuries, or a worse fate, thanks to products developed by

NOMEX for firefighting missions In fires, seconds can mean the difference between life and death. Fireman Rolf Blum was quite aware of that when rescuing a three-year old girl

Suits which effer prolenged protection push back the pain threshold

from a blazing house: he was wearing a protective uniform of light-weight, flame-resistant NOMEX III. In direct contact with flames, such ... suits offer prolonged protection, push back the pain threshold. Wovens of NOMEX III maintain fabric integrity under flame and heat, which is a most effective contribution to protection. against bum injuries. It is for these reasons that West Midlands, one of England's biggest fire brigades, opted for NOMEX "Delta T", a product specially deve-



loped for firefighting requirements. The safety of rescue teams is increasingly valued among our Eastern neighbours, where more and more fire services are being equipped with intervention uniforms made of NOMEX. How these can save lives in mishaps was recently experienced by a

Hungarian helicopter pilot. Fuel suddenly ignited right in the middle of refuelling. He found himself engulfed in an enormous ball of fire from which

> he escaped unharmed thanks to his workwear of NOMEX III. He was even able to extinguish the fire, thus avoiding complete loss of his aircraft.

KEYLAR provides protection against bullet threats

More and more criminals think nothing of using firearms these days. Constable Udo Blaumann became painfully aware of this when he was hit in the region of the heart by a bullet fired from a pistol only six metres away. Luckily, he was wearing a ballistic vest of XEVLAR - so he survived unharmed.

> Equally effective are the seamless. ent-resistant surgeans' giores

KEVLAR is a para-aramid fiber developed by DuPont, and wovens for ballistic vests are among the products for which it is ideally suited. Some of them weigh less than two kilos so they easily fit under a uniform. To date.". such vests have saved the lives of more than 1,500 policemen - now members of DuPont's KEVLAR "Survivors Club".

in cooperation with industrial and research institutions, DuPont stages seminars on safety. Working together with authorities across Europe, these serve to foster further development of protective garments.



Seamless, cut-resistant surgeons' gloves may be less spectacular, but made of KEVLAR they are equally effective in protecting against accidental scalpel cuts and resultant infections when operating on, for example, HIV-afflicted patients.

TYVEK wards off invisible danger Safety standards are exceptionally stringent in the nuclear industry. A major problem in handling radioactive materials being that potential danger can be neither seen, felt nor smelled. Staff in high-risk areas must therefore be permanently protected

by proper apparel.

Yests of KEYLAR and swits of MOMEX or TYYEK comply with highest quality standards and European norms

This is where TYVEK has long proved its outstanding advantages. Developed by DuPont, the spunbonded material

TYPEK Pre-Tech protective apparet

Particles cannot cling to the smooth, antistatic, lint-free surface of TYVEK. Moreover, it is tear-resistant, pleasantly supple and light-weight, and won't be affected

more than 97% of minute, invisible

particles down to 0.6 microns. Skin

contact with radioactive particles

is thus precluded.

by moisture or chemicals. To meet the exceptionally high demands needed in the field of protective apparel,

DuPont has teamed up with the industry to develop the quality assurance pro-

grammes needed for gloves and ballistics vests of KEVLAR and for suits of NOMEX or TYVEK. These comply consistently with the highest quality standards and the most recent European norms - so that our rescuers can be assured they are being protected

lanovations by DaPont

NOMEX; TYVEK' and KEVLAR' were developed by DuPont's Engineering Fiber Systems, as were SONTARA; TEFLON, TYPAR, CORDURA, ZEMDRAIN and high tenacity NYLON. All of these products continue to add new benefits to all manner of applications - from household goods right through to space travel.

DuPont is one of the world's leading suppliers of engineering fibres. In Europe alone, it has invested almost \$600 Million in production facilities to better serve local market needs.

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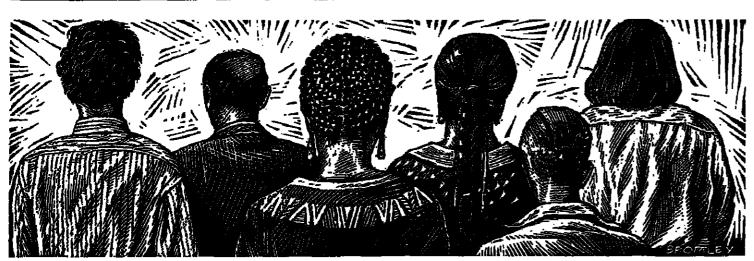
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Outsiders welcome

US companies are developing workforce diversity, says Victoria Griffith

n a lecture room in the Bank of Boston, an executive is pretending to declare his homosexuality. He is taunted, laughed at and ignored for half an hour by his co-workers. When this role-playing exercise is over, he talks about how it felt to be an

The employees are taking part in a diversity training course, which aims to attune them better to the feelings of others. The bank's management hopes that when they return to the office, the trainees will show more willingness to work not only with homosexual colleagues, but with any co-workers who are different from them.

Through diversity training and other programmes, US corporations are attempting to grapple with the opportunities and challenges of an employee base which is increasingly heterogeneous.

Throughout the 1990s, minorities, white women and immigrants will account for 85 per cent of net employment growth in the US, according to the DCI Armory, a group of specialists in diversity.

To prepare for the changes, some 60 per cent of leading businesses in the US are offering or planning diversity training courses, says Myron Block, a diversity consultant for consultancy Harbridge House.

The US private sector first had to deal with a more diverse workforce in the 1970s, when the federal government enforced the hire of minorities. Corporate concerns are different now from 20 years ago, however. For many companies. compliance with the law remains the main priority, but an increasing number say greater diversity makes good business sense.

Diversity is a competitive edge

issue," says Darlene Siedshlaw, executive director of diversity for the telecommunications group US West. "There is no question that the marketplace is more diverse than it has ever been. It adds to our bottom line to have a diverse workforce to

serve that marketplace."

If a marketing force is too homogenous, for instance, it risks commit-ing big errors when addressing diverse audiences. "By having Hispanics on our staff, it helps us to realise things about their culture," says Leslie Mays, director of diver-sity development for footwear manufacturer Reebok. "For instance, we have discovered that Hispanics are usually very brand loyal. The brands they use when they're grow-ing up are what they usually use later on. So we know that when marketing to that group, we should

target a young audience." Telecommunications group AT&T points to language barriers it can encounter. "We use Spanish speakers to sell our services to the Latino market, and Mandarin speakers to sell to the Chinese-American mar-ket," says Joeann McPhearson, district staff manager of AT&T.

iversity can be important for other reasons. With the rise in popularity of ethical investments, some investors screen companies before deciding where to buy shares. "A diverse workforce attracts more shareholders," says McPhearson.

But if diverse groups often show more creativity - at least if the problems relate to their diversity they can also be difficult to manage. Studies show, for example, that diverse groups can take longer to accomplish tasks. "Diversity can and slow things down," says Susan Jackson, associate professor of psychology at New York University. "Companies need to learn how to minimise these conflicts to take better advantage of diversity.

Diversity training has become an important tool for corporations facing these challenges, but the nature of the courses varies greatly. Some rely on lectures to illustrate the history of black liberation, or the nature of sexual harrassment, for instance.

Black actor Bill Coshy's video on bigotry in the workplace is popular. Other formats encourage employees to open up about their personal prejudices. "People in our training courses analyse their heritage and the messages they got when they were growing up," says Block.

Open conversation may not always be a good idea. "It opens a can of worms on the legal front," says Jackson. "If an executive admits to sexual harrassment during a training course, for example, can he be fired?"

Many executives question the value of diversity training on its own, not least in its effects on other employees. "Standalone diversity training is not enough to bring change to any corporation," says Siedshlaw. "It can even be harmful. In the 1980s, we felt a lot of backlash from white males who felt excluded from the diversity initiatives. Now, we have a programme on the difficulties of being a white male in today's society and it's a big

The most successful companies in dealing with diversity, researchers say, are those that make diversity part of their corporate culture. Increasing attention is paid to comcreate more interpersonal conflict panies' diversity profiles. "We review trends in our employment profiles every month to make sure we're not losing diversity," says

To ensure that the company maintains a diverse employee base, Reebok, along with a growing numpart of the criteria managers are judged by. "We look at the diversity of the group they manage before they came in and after they have been there for a while. And we talk to them about how they helped position different people for career advancement."

With more companies seeking minorities and women, recruitment for these groups can often be fierce. "We've had to change the way we recruit college graduates," says Siedshlaw. "If you just go to the placement office, you will limit yourself, because people of colour are less inclined to use the office. You need to go to campus organisations, the Society of American Indians, for instance. We've had excellent results with the new programme. Over the last two years, 50 per cent of new hires were people of

AT&T even adapted its redundancy programme and abandoned seniority as a criterion for lay-offs. "If we had just fired the people who had been at the company the least time, we would have been left with a more homogenous workforce," McPhearson explains.

To make sure recruits want to stay once they are hired, many companies have encouraged constituency groups, to act as liaisons between employees and management. Digital Equipment, for example, has a number of these groups, including the African Heritage, Asian Leadership and Gay Plus.

ne minute Felix Warnock was playing bassoon in the Orchestra of the Age of Enlightenment. The next be was running It. As general manager he found himself drawing up business plans, budgets and new management structures. It was a far cry from baroque music.

The arts is full of people like Warnock, who clamber into management by virtue of being good bassoonists, singers, actors. While lawyers and accountants also become senior managers on the basis of their skills as practitioners, they tend to be better prepared for their new responsibilities. Arts managers are expected to adapt to their new jobs without outside belp.

The business school route is closed to them. The cost of a one-week course, around £2,500. could make the difference for some arts companies between profit and loss.

Business in the Arts is attempting to fill the gap with me, sponsored by English Estates, for sending arts managers on management courses. So far nearly 50 managers have been put through the mill, and are nov attempting to apply business school recipes to their dance groups, orchestras, theatres, galleries and museums.

Budget reductions over the last decade have meant that arts organisations have needed all the management skills on offer "There has been a revolution in the last 10 years. No one in the arts is owed a living anymore," says Barbara Woroncow, director of Yorkshire and Humberside Most of us are handling public money. If people had better training they could make better

use of the money." One might have expected some mutual culture shock in plunging an arts manager into the sterile world of the business school. For a start they talk a different language: the average arts manager has never heard of total quality management, and has little idea of what a stakeholder is. Meanwhile, their counterparts in business have no conception of the realities of running a

museum or opera company. For the first few days I was definitely regarded as an oddity, says Warnock, who attended the Leadership in Management course at Sundridge Park, Kent. Ian Ritchie, general manager of Opera North, felt that colleagues on his course at Ashridge "didn't see how somebody like me was actually running a serious

Another string to their bow

Lucy Kellaway on arts managers

in search of business skills



Portrait of the artist as a young nanager: Felix Warnock

business". But by the end of the week, the similarities between arts companies and a regular business appeared more remarkable than the differences.

On the Making Change Work programme, Ritchie and his course-mates agreed that the problems of managing change were similar whether they were selling reinsurance or putting on operas. On the leadership course it emerged that the difficulties of motivating people are the same whether they are musicians or bank clerks.

The issues they raise are very similar," says Susan Segal-Horn at the Cranfield School of Management. "Arts companies need to be able to manage downsizing and outsourcing, to decide where to invest resources and, above all, manage short-term and long-term strategic change. These issues are bog standard. They are the same for Marks &

Spencer, for transportation companies, for everyone." Many arts managers, though, believe their problems are especially tricky. Ritchie argues that Opera North is as complex as a multinational, although he

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THE WAY SHEET

employs only 160 people and has a turnover of just 29m. He says the financial constraints are especially onerous. "People were amazed that my annual objective is to achieve breakeven. A swing of 1 per cent means missing the target by £80,000. Others said they did not have targets that tight." As well as confirming how

difficult their jobs were, the courses provided the arts managers with some concrete help. Woroncow claims to have returned from her strategic management course at Cranfield "with a missionary zeal". Her first action was to commission Leeds University Business School to do a customer relations survey of her 180 client museums.

She then tore up the existing corporate plan, which she saw to be a muddle of aspirations, and replaced it with precise measurable targets. Next, she signed up for Investors in People. Finally, she took her staff through the exercises she had learut. The course helped me to think in a structured way of the business environment. I had lots of information, but didn't bave the tool kit to analyse where changes were coming from, and which were the most important in the

short, medium and long term." Warnock, who since the course has moved sideways to the new position of arts administrator, says his main lesson was the need to listen harder to the views of his colleagues. Ritchie is still hoping to find time to go through the wad of paper he accumulated on the course.

Some of the arts wanagers felt they taught their business colleagues a thing or two. "The others found my presence refreshing," says Ritchie. "I was talking about change in organic terms. One can be very theoretical about techniques of making things happen, but can lose sight of the structure as a fluid thing."

While all enjoyed their week's immersion, they are wary of any trend to elevate general skills of management above those of creativity. Warnock warns that ent training can be destructive if it is too narrow. There are very few people at London Business School who understand how an orchestra really works. You need 60 people to play a Reethoven symphony. It would seem logical to pare it down, but you can't."

BUSINESS TRAVEL

Daniel Green on what the Delta-Virgin link-up means for passengers

Catching a common code

ast week's tie-up between Delta of the US and the UK's Virgin Atlantic, the latest in a series of transatlantic deals. might lead some to conclude that a revolution in business travel is in the offing.

It is not, say airline industry executives privately. The business of "code sharing", the centrepiece of these deals, is largely to do with the financial health of the airlines and does little for passengers. It may even mean some people feeling misled about which airline

they are flying. Code sharing allows airlines to book passengers on each others' flights. Code-sharing Airways and USAir, Dutch carrier KLM and US airline North. west, and the triple alliance of Delta, Swissair and Singapore Airlines. One of the biggest yet, between United Airlines of the US and Germany's Lufthansa, is scheduled to start

In practice, code sharing means a passenger in Albuquerque, New Mexico, could ask the travel agent for a flight to London's Heathrow airport and be given a Delta ticket. That ticket will have a flight number beginning "DL" and show that the flight goes via New York's JFK. The passenger might then fly Delta to New York and from there to partnerships include British London on Virgin

For the airlines, the advantage is clear. They can plug into each other's networks. claiming, for example, that they fly to destinations serviced by the partner's aircraft. They are able to advertise more destinations, and marketing is cheaper because costs can be shared within what is

The risk for passengers is that they might book a flight with one airline and travel on another. "It is something akin to false pretences if this is not made clear when the ticket is bought," says an executive with an independent airline

effectively a larger network.

Virgin is at pains to say that its agreement with Delta is

Maximum temperatures in Caleka

"transparent" - that passengers will know exactly what is happening when they inquire about their flight. It points out that there are other aspects of the deal that benefit passengers more directly. Virgin will share Delta's JFK terminal so the connection is easier. Moreover, the airlines are linking frequent-flyer programmes, so mileage points can be earned on either.

Similar co-operative arrangements are in place with the likes of Northwest and KLM, and BA and USAir. But it is possible to achieve them without code-sharing deals - as Virgin has done with British Midland and BA has with Cathay Pacific.

Bucharest bustle

Virginia Marsh offers tips on visiting the city

ucharest's most pow-erful landmark is the massive white marble, gold and concrete monstrosity that the late dictator, Nicolae Ceausescu, named the Palace of the People. This weekend, this monument to megalomania takes on a new role. It will house the heads of state and other dignitaries attending the Crans Montana Economic Forum - the first big international conference in Romania since Ceausescu's overthrow in 1989.

The city is undergoing rapid change. Cars imported from the west choke the main boulevards, which are lined with smart new cafés, showrooms filled with foreign goods, and dozens of small boutiques and food shops. Foreign and local companies vie for the billboard space along the road from the recently modernised airport. Every morning peasants fill the city's many open air markets with their wares: round smoked cheeses encased in wax, soft white goat's cheese, cured country hams, sour

cream, fresh herbs and spices. However, Bucharest remains a frustrating place to visit. The following tips should help:
• At the airport, the traveller must stand in two queues, one to buy a visa (\$35), the other to have the freshly stamped document examined by immigration. It is probably not worth getting a visa in advance: the best tactic is to fight your way

off the aircraft in order to be

 Book your hotel room. Bucharest's few business hotels are often full. Demand has pushed up prices to international levels despite the gener-

ally lower standards. Most of the big hotels are within easy walking distance of the main commercial district. The InterContinental, in the central university square, remains first choice. The elegant but down-at-heel Hotel Continental is popular with frequent visitors, such as World Bank or EMF officials. while the Hotel Bucuresti is useful for those with political interests - out-of-town MPs fill one-third of its rooms.

Ask your hotel to send a car to collect you from the airport, for \$14 to \$22. Taxi drivers usually try to charge a lot more for the 15km ride. Take cash, preferably dol-

lars; credit cards and travellers' cheques are not widely accepted. Licensed exchange houses (Casa de Schimb) often offer better rates than hotels or banks, which are crowded and open only in the morning. Avoid changing money on the street: swindlers abound.

 Take the right clothes: Bucharest is very hot in the summer and very cold in the winter. Business dress is not formal: jacket and tie for men, dress or skirt for women. Avoid running out of your favourite shampoo or toothpaste. Basic items can be hard

appointments: punctuality is not a Romanian strong point. Meetings tend to ramble on, especially if you are using a translator, although English and French are widely spoken. The telecommunications system is terrible, so do not count on making or receiving international and domestic calls easily. If possible, make international calls early in the morning or late at night, when the lines are less busy.

The system is being modernised, but this means that telephone numbers change constantly. If you have problems reaching contacts, call international directory inquiries. At this time of year, Roma-

nians start opening their road side Terasa (terraces), where you can recover from a day of protracted negotiations over a beer or a glass of wine or Tuica, the fiery local plum brandy. La Premiera, behind the national theatre, is one of

Afterwards, it's worth wandering off the main boulevards into one of the old residential areas, where you can catch a glimpse of the richness of precommunist Bucharest. Transylvanian turrets, dripping with Belle Epoque plaster work, and wrought iron and neo-Gothic villas stand alongside eastern-looking Orthodox churches and classic 1930s apartment blocks. This architecture provides the perfect antidote to Ceausescu's palace.



F- ----

Train attack

Gunnen thought to be Moslen militants attacked a train in southern Egypt on Saturday night, the first such assault in more than a month. They opened fire on a sleeper travelling from Aswan to Cairo but no one was injured, security sources

The attack took place near the town of Abu Tig, on the Nile 340 km south of Cairo. at about midnight. Eight trains have been attacked in roughly the same area this year. The attacks have had a devastating effect

Calm in Indonesia

on the tourist industry.

Indonesian soldiers were patrolling Medan in northern Sumatra on Sunday as some shops raised their shutters and life began to return to normal after three days of violent labour protests and looting. Banks, businesses and cars

were attacked in some of Indonesia's worst rioting in years and one person was reported killed. Bands of protesters barricaded roads between the city and the industrial zone and port of Belawan, stoning cars, shops and passers by.

Colombian tragedy

At least 22 people were killed most of them burned alive, in a fiery multiple traffic accident on a highway just outside the capital Bogota, police said Saturday,

A cargo truck collided with a car and small bus that had crashed moments earlier along a highway near the town of Granada, about 20 miles southwest of the capital, police said in a statement.

When it pays to check your policy

notice, would your medical bills be covered if you had an accident? Even if you were given more notice, would you check the cover offered by company travel insurance?

Managers of small companies and the self-employed need to be particularly careful that accidents or losses abroad do not leave them out of pocket. Insurers say a growing number of people are taking out annual travel insurance policies, which provide cover for any number of trips in a year and eliminate the need for last-minute arrangements. Columbus, the specialist travel insurer, says sales of annual policies rose 39 per cent over the past year.

For anyone who travels regularly, an annual policy is often cheaper than buying insurance for each trip separately. Most annual policies cover business trips, but do check - a few, such as NatWest's and Abbey National's, exclude them.

There is usually a limit for each trip of two or three months; a few cheaper policies impose an overall annual limit for time spent outside the UK - about 150 days.

Premiums for a single person vary from about £75 to about

f you were dispatched on a £140. Most annual policies pro-business trip at an hour's vide at least £1m cover each for medical expenses and personal liability. Differences on other details

such as cancellation and curtailment, legal expenses, compensation for delays, and lost or delayed baggage - can be marked. Cancellation cover ranges from £1,000 with Columbus's most basic policy to £12,500 with the American Express Premier policy. Some insurers offer a choice

of cover. If you never go outside Europe, why pay extra to cover potential hospital bills in the US? And if your home contents policy covers personal belongings outside the home, why pay to cover luggage a second time? Bradford & Bingley building society gives a 20 per cent discount to £79.60 to anybody whose luggage is already covered.

Anyone planning to ski or go scuba diving should check the small print. Most annual policies include limited skling cover (usually 17 days a year), but some exclude it.

Most annual insurance can be extended to cover your spouse and/or children for less than the price of another individual policy.

Bethan Hutton

ANNUAL 1	rayel insur	KANCE POL	.ICIES
Insurer	Premium*	Trip limit	Other options?
Accident & General	£130	90 days	F
American Express	£79.50	91 days	F, L, P
Barciays .	297.50	90 days	F
Bradford & Bingley	£99.50§	90 days	F. L
BUPA	£130	91 days	F, L
Club Direct	£139	90 days	8, F
Columbus	279	60 days	B, F
Crispin Speers	£140	60 days	B, E, F, P
First Direct	£75	91 days	-, F
Frizzell	£111.78	3 months	E.F. L
Home & Overseas	£109	30 days	, <u>_</u>
Midland	€75	81 days	F
N&P	£75	90 days	F. L
Thomas Cook	£125	60 days	É
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Britannic Assurance Densitron Johnson Fry Linton Park London & Assoc. lnv. Mid-States Morgan Crucible Interime; CeritreGold

Creston Land & Estates # TOMORROW COMPANY MEETINGS: Commercial Union, Chartered insurance institute, 20, Aldermanbury, E.C., 12.00 Dunedin Inc. Growth Inv. Tst., 25, Ravelston Terrace, Edinburgh, 12.00 Pacific Assets Tat., 1, Charlotte Square, Edinburgh, _12.30 us, 7, Birchin Lane,

Pegasus, E.C., 2.30 BOARD MEETINGS: Bodycote Int. Boosey & Haw Chelsfield fbstock Johnsen

Interims: Asda Property St. Ives

WEDNESDAY APRIL 20 COMPANY MEETINGS: Anglo & Oversess Tst., 23. Great Winchester Street, E.C., 11.00 Laporte, Painters Hall, 9, Little Trinity Lane, E.C., 12.00

Provident Financial, Norfolk Gardens Hotel, Hall ings, Bradford, 12.00 Reed Inti., Four Seasons Hotel, 173, Gloucester Place, BOARD MEETINGS:

Country Casuals Dencora English & National Inv. Havelock Europa Jacks (Wm) London American Growth Sherwood Computer Fleming Japanese Inv. E THURSDAY APRIL 21

COMPANY MEETINGS: Fleming Fledgeling Inv. Tst., 25, Copthall Avenue, E.C., Half Eng., Telford Moat House, Forgegate, Telford, 10.30 Kaion Grp., Huddersfield Road, Birstall, Batley, 10.30 Mersey Docks & Harbour,

Merseyside Maritime Museum, Albert Dock, Liverpool, 12.00 Peek, Royal Automobile Club, Pall Mall, S.W., 11.00 Rea Brothers, Aldermans House, Aldermans Walk, E.C.,

12.00 Royal Insurance, Chartered Insurance Institute, 20, Aldermanbury, E.C., 11.00 Sphere Inv. Tst., Dragon Court, 27-29, Mackin Street, W.C., 12.00 Transport Development, Glaziers Hall, 9, Montague Close, S.E., 12.00 Watmoughs, Forte Crest Hotel, Bramhope, Leeds,

11.30 Wickes, 19-21, Mortime Street, W., 11.00 BOARD MEETINGS: **Austin Reed** Boot (Henry) **British Dredging** Caird Cannon St. Invs. Etam Eurotunne

Helical Bar Liberty RPH Tle Rack Utd. Energy Yorklyde Albert Fisher British Empire Sec. & Gen. Low (Wm)

Molyneux Estates Sphere inv. Tst. WEW Grp.

FRIDAY APRIL 22 COMPANY MEETINGS: Baillie Gifford Shin Nippon 1 Rutland Court, Edinburgh,

Baltic, Browns Hotel, Dover Street, W., 11.30 Chieftain Grp., Gosforth Park Hotel, Newcastle upon Tyne, 12.00 Relyon, Wellington, Somerset,

BOARD MEETINGS: Finals: Darby Holt (Joseph) Parambe Reed Executive

River & Mercantile Geared

Cap.

SATURDAY APRIL 23 COMPANY MEETINGS: Victaulic, Priory Centre, Priory Lane, St. Neots, Cambs.,

Company meetings are annual general meetings unless otherwise stated. Please note: Reports and accounts are not normally available until approximately six weeks after the board meeting to approve the

DIVIDEND & INTEREST PAYMENTS

TODAY. Alled London Properties 54% Cv. Pf. 2.875p Bradford & Bingley Bldg. Scty. FRN 1999 £137.12 BZW Conv. Inv. Tst. 1.5p Do. Equities Index-Un. Ln. 1996/2002 1.61625p : Conversion 91/2% 2005 £4.75 Crest Nicholson 1p Daicel Chemical 5.1% Bd. 1997 Y508583.0 Do. 5.6% 2000 Y558444.0 Echlin \$0.19

Ericsson 74% Bd. 1997 \$77.50 Halifax Bldg. Scty. FFIN 1995 £137.12 ·· Hydro-Quebec 1114% Db. Ser. HV April 2001 £112.50 jasmine Tranche 8 FRN 2003 Y1617777.0

Johannesburg Cons. R0.46 Motorola \$0.74 NatWest Bank 9% Non-Cin Do. Non-Crn. \$ Pf. Ser.A \$0.532 Do. Ser.B \$0.4375

Do. Exch. Cap. Sec. Ser.A.

\$3.20 Nokia FM2.80 Nova Scotia (Province of) 114% Ln. 2019 25.875 Pochins 8p Sanwa Fin. Aruba Gtd. FRN July 2004 \$937.50

2002 \$468.75 STB Fin. Cayman Gtd. Fxd/ Fitig: Rate Tranche A Nts. 2003 \$3437.50 **TOMORROW** Boddington 5.17p London Forfalting 6.1p

Do. Gtd. Step-up FRN Oct.

USDC Inv. Tst. 3.25p Wells Fargo Fitg. Rate Sb. Nts. July 1997 \$87.50 WEDNESDAY APRIL 20 Budgens 5% Cv. Un. Ln. 2003 £2.191781 Dixons Finance Gtd. FRN 1997

\$2085.42 Dunedin Inc. Grwth. Inv. Tst. 17.35p European Assets Tst. FLO.08 Grafton IR4.250 Hankyu Dept. Stores 3% Nts. 1999 Y76666.0

APRIL 28

Islington 11.9% Rd. 2017

25.95 M & G inc. IOnv. Tst. 1.9125p Do. Geared Units 1.9125p Do. Package Units 1.9125p Mitsubishi Elect. 3.2% Bd. 2000 Y81778.0 Nissho Iwai 3% Bd. 1998 0.0000SY Northern Rock Bldg. Scty. FRN 1996 £134.08 Pacific Assets Tst. 1.2p

> THURSDAY APRIL 21 Amstrad 0.2p Anglo & O'seas Tst. 5.4p Anglovael R0.35 Do. N R0.35 BBL Int. Gtd. FRN 1999 \$126.39 Commonwealth Bank of

Australia Gtd. Und. Cap. Nts. \$173.78 Eurocamp 6.3p Latin Am. Extra Yld. Fd. \$0.275 Valaysia FRN 2015 \$265.42 NatWest Bank Und. Var. Rate Nts. \$1012.50 Partridge Fine Arts 1.5p PizzaExpress 0.5p St. Modwen Properties 0.7p

TSB 105/4% Sb. Ln. 2008

Serco 11.7p

Treasury 4%% I.L. 2004 22.2794

preliminary results.

■ FRIDAY APRIL 22 Afex Corp. \$0.05 Beradin 1.2p Chemical Banking Sb. FRN 2003 \$278.06 Comac 1.5p Dale Elect. 1p FAI Insurances A\$0.01 Fleming Fledg. Inv. Tst. 2p Half Eng. 3.02p Lincat 2.2p Metal Bulletin 7.1p Murray Inc. Tst. 2.33p Padang Senang 1.2p Raine 1p Ransomes Cm. Pt. 4.125p Robeco (Br) FL3.52 Do. Sb. FL0.352 Rolinco FL2.48 Do. Sb. FL0.248 Sanwa Australia Fin. Gtd. Fltg/ Fxd. Rate Nts. 2003 \$1984.31 Union 3p Walker (I) 0.18p Watmoughs 5.1p Wyevale Garden Centres 1.65p

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People Page

Henderson in from the cold

The man at the centre of Britain's arms-for-Iraq trial re-enters the business arena. Jimmy Burns reports

aul Henderson, the businessman at the heart of Britain's fraqgate affair, was not easy to single out amid the clutter of the workaday exhibits at a UK machine tools fair in Birmingham last week. But his anonymity - sitting in the temporary stand numbered 3056 in the huge exhibition hall - belied how much he has learned about how to promote himself when he needs to.

On the day John Major, the prime minister, visited the fair, Henderson silver haired and with the looks of an ageing television soap opera actor chose to announce he was setting up a business partnership with John Butcher, the Tory MP, and former iunior minister for trade and industry to boot.

Henderson's resurrection from what had seemed business oblivion is not without its ironies. Butcher's assessment of his partner as a patriotic, unfairly maligned businessman conflicts directly with the assessment of Lord Trefgarne, another former trade minister. It was Trefgarne that, in a public hearing on the arms-for-iraq inquiry held by Lord Justice Scott at the end of March, accused Henderson of lying. And yet here was Henderson apparently putting himself forward once again as a symbol of the government's dishonesty and hypocrisy.
With his new venture - the takeover

of welding company Production Systems International - Henderson hopes to return to the business mainstream he was suddenly ejected from when in February 1991 he was charged with breaking government export regulations.

He was no stranger to publicity. In the wake of Iraq's invasion of Kuwait, Henderson had already raised eyebrows as the managing director of Matrix Churchill, the Midlands-based machine

tool company that was under Iraqi ownership. The case against him, which collapsed, was that Matrix Churchill broke export regulations by supplying Iraq with machine tools destined to help make arms. During the trial in November 1992 Henderson's defence lawyers revealed he had worked for British intelligence

The government is still counting the cost of the ill-fated legal action. Later this week Henderson's solicitor plans to present the arms-for-Iraq inquiry with further evidence that British officials were involved in approving the export to Iraq of dual use machine tools capa-

ble of military applications.
Since his trial found him not guilty, the 57-year-old businessman has been a thorn in the flesh of government and Whitehall. Much of the evidence heard at subsequent public hearings appears to have strengthened the public perception that the Matrix Churchill trial should never have taken place.

"T've met a wide spectrum of people since the Scott inquiry got under way, complete strangers who have come up to me and said how absolutely disgusted they are by what the government did." says Henderson.

In fact the jury on Henderson is still out. Allies like his new business partner, portray him as a patriot and unfairly maligned businessmen, his detractors - and unsurprisingly there are many within Whitehall - see him as a publicity seeker.

He has attended the Scott inquiry on and off as a member of the public, never shying away from making himself available for comment on evidence relating to his case. Such exposure has put pressures on his family life - as a Catholic he remains a committed parent - but he insists he has volunteered his availability to the media as part of a personal crusade to bring to light the



injustice and double-dealing of a system of government he had always felt utterly loval to.

He counts among his favourite family portraits that of his son David, a soldier of the 1st Battalion Coldstream Guards being presented to the Queen at a royal cocktail party.

ertainly Henderson adopts a disarmingly straightforward man-ner when he describes the most controversial aspect of his working life: his recruitment by the British intelli-gence services. "I agreed to work for the intelligence services for two reasons," he says. "The first was the glamour...the second was simply if I could help my country why not?...In all honesty, at that stage the glamour aspect was more attractive to me than the

An MI6 officer codenamed Balsom, who was Henderson's controller has described him as an "extremely brave man". Balsom says: "Few people I have met would take such risks and take them so much in their stride, with all the pressures on them."

Yet Henderson believes the intelligence services in the end betrayed him as much as any other government department. He may have once got a kick out of leading a double life, but today he regrets the day he was ever

"When intelligence services get

involved with businessmen, they must be prepared to account for their actions. What I have learnt out of all this is something I would have preferred not to have learnt: that the British government I believed in was duplicitous."

Yet there are very different - unflattering - accounts of Henderson's behaviour. In his evidence to Scott, Lord Trefgarne graphically described a meeting he had with Henderson to establish exactly what Matrix Churchill was selfing to the Iragis: "I don't think I could have done more than look him in the eye and ask him what the machine tools were for. He told me. I now believe he deceived me."

Those who have distanced themselves from Henderson in recent months include Mark Gutteridge, his former business partner. Gutteridge has not only severed his business links, but has kept a personal distance from Henderson him in recent months.

Businessmen within the machine tool industry are angry about the negative publicity for British exporters generated both by the Matrix Churchill trial and the Scott inquiry.

The business venture announced last He will be reviewing his new week has been treated with some scepticism. "Henderson is a salesman, not a hank's overall foreign exchange trading policy. The businessman," commented one executive. Many will be watching closely to Malaysian finance ministry see whether He has the skills to build recently instructed Bank up the small welding group which only Negara to stop its "excessive" broke even last year. foreign exchange dealings.

Personae Boonstra's light switch

Boonstra, whose abrupt

By Ronald van de Krof

Philips, the Dutch electronics group, has tapped yet another high-flyer in marketing to strengthen its board and bolster its return to profitability.

The company, traditionally strong in inventing products but not always as successful at selling them, will appoint Cornelis Boonstra, former president and chief operating officer of Sara Lee, the US based food and personal products group, to the head of its lighting operations in the summer.

Boonstra, a 56-year-old Dutchman, will also join the management board and look after activities in the

Ahmad Mohamed Don steps

into the hot seat as governor

of Bank Negara, Malaysia's central bank, on May 1, Late

announced foreign exchange

Subsequently Jaffar Hussein.

the central bank's governor

announced his resignation,

Ahmad, a 47-year-old British

trained chartered accountant,

has a tough job on his hands.

Bank Negara's 1993 forex loss

followed on from a deficit of

For the past three years

director of Malayan Banking

ggest financial institution.

He joined Maybank in 1982 as head of its treasury division

where he earned a reputation

as a highly successful head

of foreign currency trading

or Maybank, the country's

Ahmad has been chief

executive and managing

over M\$9bn the previous year.

for the last nine years.

writes Kieran Cooke.

last month Bank Negara

trading losses for 1993 of

M\$5.7bn (\$2.1bn).

departure from Sara Lee in January came as a complete surprise, is scheduled to replace Einar Kloster, who is stepping down from lighting in July to return to his native Norway. Significantly, however, Boonstra will be given a place on the board, expanding its membership to six directors. Kloster, a scion. of Norway's Kloster shipping family who spent more than 30 years with Philips, never belonged to the management

board, though he did sit on

the wider group management

contimittee. The appointment of Boonstra, whose "heavy-weight" status as a top US corporate executive puts him in the running as a

Philips' president, is part of the group's search for

marketing expertise. The move also extends the trend at Philips towards giving top jobs to outsiders with extensive international

experience. Earlier, Pierre Everaert, a Belgian-born naturalised American, was coaxed away from the chairmanship of Ahold, the Dutch food retailer with several supermarket chains in the US.

Philips also recently announced that Floris Maliers. chairman of the Dutch arm of Unilever, the Anglo-Dutch soap-to-margarine manufacturer, will become chairman of the group's supervisory board, a position usually filled by retired Philips

Into Bank Greenwald flies Negara's friendless skies hot seat

in New York

There's never been a problem I don't like solving," said Gerald Greenwald, chairman-designate of United Airlines, the biggest US carrier, last week. "And I like working with human nuance."

It is just as well: for as boss of an airline that has been targeted for the world's biggest-ever employee buy-out, the 58-year-old former Chrysler vice-chairman could find himself facing problems and nuances a-plenty in his new

Under a deal hammered out by United's management and labour unions – but vet to be approved by shareholders ~ the airline's employees have agreed to big pay cuts and other labour concessions in return for a controlling stake in the company.

It is a bold endeavour, but nobody knows quite how worker control will pan out. Who, for example, is to say that employees will not cripple the company by voting themselves big pay rises once they have a foot in the

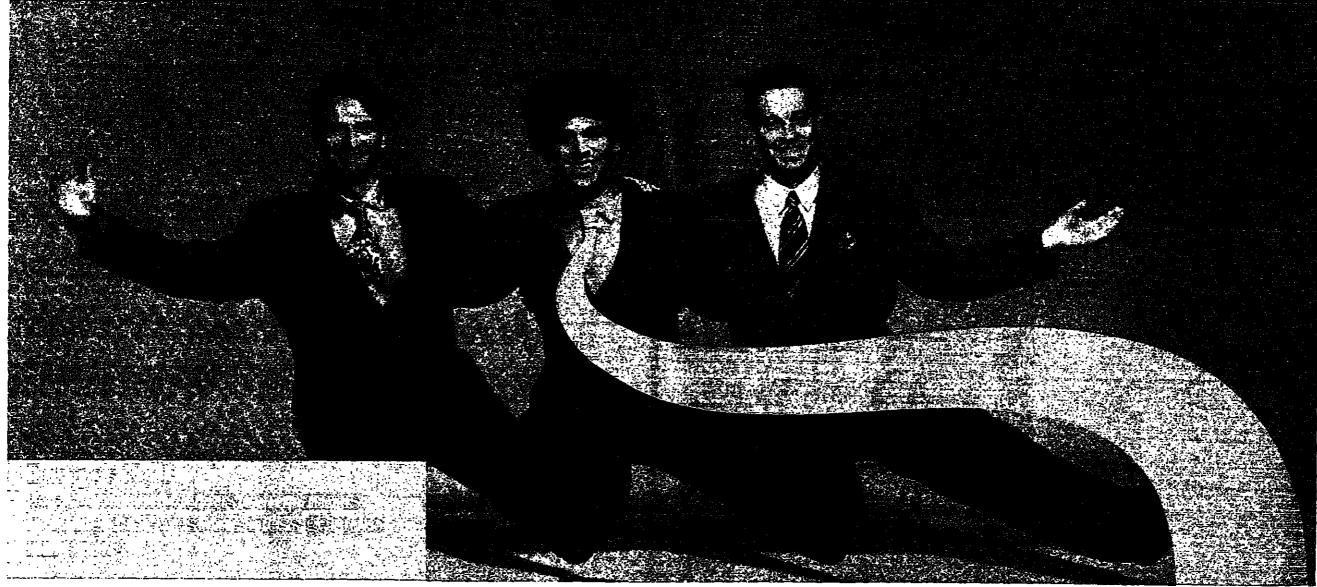
Greenwald, the unions' nominee for the chairmanship. clearly relishes the challenge

In a New York presentation aimed at selling the deal to United's shareholders, he spoke repeatedly in terms of making history with the

buy-out. In one sense, history has already turned full circle. Pour years ago Greenwald was heir apparent to Lee lacocca as Chrysler's chairman when he abruptly left the car maker to head an earlier union buy-out plan at United. That buy-out collapsed, however, leaving Greenwald to join Dillon Read, a Wall Street investment bank, before going on to head the restructuring of Olympia & York Developments, the failed Canadian property

development group. Now established as a bit of a trouble-shooter, Greenwald is currently chairman of Tetra, a Czech Republic truck company, where he has been retained until February 1995 to turn the company around. But United is where he really belongs, he says, even though he has no previous airline experience.

He must be spending many a quiet hour praying that United's shareholders agree.



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The Market Theatre of Johannesburg's version of 'Woza Albert' demonstrates the real progress of black theatre in South Africa

A language for the Zulu Tolstoys

Novelist Justin Cartwright asks if art must be a political weapon in the new South Africa

struggles, both as sponsor of the Congress of South African Writers and ANC member. Her writing, too, is clearly set in time and place. If she is sanguine about the prospect of the ANC becoming just another political party, others find it difficult to accept that they should now show allegiance to a party after years of fighting

Here the questions are, if there is a Zulu Tolstoy, how is he But while hundreds of people are dying each week, it is per-haps unsurprising that the going to come to our notice? In what language is he going to be published? What - white coercive language of progres-sive thinking is flourishing. In some quarters the term "culacademic is going to unearth him? And what Scandinavian country is going to subsidise tural worker" is used without irony to describe anyone in the his airfares to international seminars? A number of acaarts or teaching fields. That demics suggested to me that this demonstrates a fondness their work in township poetry, drama and workshops was for the language of totalitarianism, seems not to worry the ideologues. There is, of course, their justification for continuing to teach English literature resistance to the notion, Others have shied away from expressed by the ANC's culof cheano. The Strat department, that the bleak novels to the South Afri-form of taking sides. As Watcan predicament could hardly be greater, yet his work is son says, no artist, indeed no man, is obliged to give up his coded and freed of partisan freedom by speaking in the language of the day. This is content by being set in placeless and timeless shadowlands. quite a different issue from the Nadine Gordiner, by contrast, poet Jeremy Cronin's plea in his poem To Learn How To believes in direct participation Speak that South African writ-

ers must "learn how to speak with the voices of the land". The one is a legacy of seminars in Eastern Bloc countries, the other is an artistic desire to find a new South African

At the heart of the marriage between ANC and communists is a historical compromise which makes it difficult to

'No artist is obliged to give up freedom by speaking in the language of the day'

know where the new government will stand on many issues. The Marxist element finds culture itself suspect. Something in its very nature is seen to be elitist. This leads to some dangerously naïve conclusions. The Zulu Tolstovs should not be discriminated not write English. Some way must be found for liberating their writing from the hegemony of colonial language. (Colonialism is a protean term. It covers anything which smacks of Eurocentrism. One lecturer told me that if she wants to attract an audience

for Jane Austen she includes the word in her description of the course: Jane Austen, colonial norms in pre-feminist society.) And because the townships were, as Watson says, the crucibles of resistance, it is logical to believe that the most responsive art will emerge there. There is little evidence that this is so. Indeed, with the exodus to the suburbs of the educated it is unlikely ever to come to pass. Thanks to the struggle and Bantu Education, no major black literary figures have emerged since the genera-tions of Lewis Nkosi and Wally Serote. Real progress, Nadine Gordimer says, has been made in the theatre where black actors are highly influential. The Market Theatre of Johannesburg has earned a reputation

worldwide for its invigorating and challenging productions.

Albie Sachs, the lawyer and ANC activist who was maimed que in 1988, caused a furore by suggesting in an ANC discussion paper that culture was not a weapon of the struggle. Perhaps in his travels he saw too much of socialist realism. The way he puts it is: "We ithe ANC] want to give leadership to the people, not exercise control over them." The counter argument, sometimes explicit, often implicit, is that all hands are required at the pumps. One poet suggested to me that while artists have personal freedom, they must study the struggle and learn from it. She seemed not to have considered the possibility that there could be more than one outcome of

... the counter argument is that all hands are required at the pumps'

The protagonists are going to have something to get their teeth into the moment the issue of the theatrical and bal-

the prescribed study.

let companies and symphony orchestras is addressed by the new structures. ("Structures" is a word you cannot avoid in The bulk of government arts some this is as important an funding has gone into huge, ugly buildings housing these companies. Largely white audiences go to see largely white musicians and dancers performing the works of dead, white males. Sachs himself claims to have attended the in the next five years.

return in 1991 but he cannot see how the massive subsidies to foreign musicians can be maintained. A scramble for realignment is going on, with the old organisations trying desperately to prove their credentials. For example, the strangely embalmed Performing Arts Council of the Transvaal has instituted creative workshops and appointed a black director for the Windy-brow Theatre. Township theatre groups have sprung up. Oral poets are being published. Northern Transvaal woodcarvers have many new admirers.

Cape Town Symphony every Thursday religiously since his

Behind this nervous quadrille are worrying questions: Who is to be the arbiter of taste? Who is to decide what is subsidised and what is dependent upon the free market? Is it to be the ANC's cultural department, or is it to be an issue as whether or not the new government will attempt to force the economy along statist lines. It is an issue, like so much else in South Africa. which will depend on which tendency of the ANC triumphs

Theatre

The Mill is not on the Floss

eorge Eliot (1819-1880) confided to a friend in 1860: "the Mill is not even on the Floss." By the same token, at the Oxford Playhouse, the Shared Experience touring production of The Mill on the Floss is nowhere near Eliot. But it is no less enjoyable for that, and makes a laudable attempt at a difficult

The play starts with Maggie Tulliver reading about witches and drowning. This sets the tone for Maggie's unconventional life and watery death. Then follows the familiar story of the fall of the house of Tulliver, the death of Maggie's father, her venal aunts and uncles, her love for the son of the man who ruined her family, and her passionate affair with her cousin's flancée. And a river runs through it.

Eliot works on the page and on film but not on stage because she needs a fixed point of view - one parrator or one camera. The theatre has too many possibilities. Shared Experience solved the technical problems better in their recent Anna Karenina and A Handful of Dust by giving the actors some of the narrative, allowing them to introduce each other. But here, the first half is a jumbled sequence of events which would be hard to follow without some Eliot prehistory. The second half works better because the characters are known.

Eliot was more interested in abstracts than this production allows. She was a Victorian agony aunt, having her characters speak truths about their situation and ours: "Being unhappy can become a bad habit." Eliot's world is all duties, ties and promises, the

Eliot invisible bonds that make a community. And that way of seeing life works better in print than on stage.

However, the production brilliantly has three Maggies: rebellious child, pious young woman and passionate, sensitive adult making a prime time Freudian tripartite personality. She would be a cert for Oprah Winfrey: "And what was the child in you telling you to do

at that time?" Shirley Henderson (young Maggie) is a fine actor; she brings poise, passion and just enough idiosyncrasy to the part. Around her, Simeon Andrews as her father and Ian Puleston-Davies as the brother who grows into him are both solid: Helen Schlesinger as the adult Maggie is a riot of indecision. She gives the lie to anyone who thinks Eliot cannot be presented sexily.

Elsewhere the acting is surer than the slippy regional accents, which will hamper the proposed European tour. The set is commendably succinct a stripped-out mill interior with ropes and grain sacks; and the costumes are a delight, especially when Maggie casts off the penitential blue serge and steps into a wicked black lace evening gown for a fateful charity ball. Nancy Meckler and Polly Teale direct Helen Edmundson's adaptation. They have taken on a difficult task, and have done better work with other adaptations. But that is George Eliot's fault.

Andrew St George

On tour to Cardiff (April 19-23, 0222 230451); Bath (April 26-30, 0225 448844); Brighton (May 3-7, 0273 328488); and London, Tricycle Theatre (May 11 - June 11, 071 328 1000).

The first monarch to bear the name of Windsor was woefully deficient in warmth and communicativeness in his immediate circle. His posterity have unconsciously had their revenge by using the mass media to undermine the image of familial propriety. HRH, the new play at Mold, and off to Glasgow's Citizens Theatre in three weeks, reminds us of the scaudal that rocked the dynasty over half a century ago. It also emphasises how lucky we were to be rid of Edward VIII.

On a circular dais, like the face of giant sun-dial, the Duke and Duchess of Windsor pace out their gilded exile in wartime governorship of the

Given the playwright Snoo Wilson's fizzingly imaginative way with history (he has a notable arabesque on Shake-speare and Elizabeth I to his credit), we expect an irreverent, perhaps surreal, bagatelle. In fact we get a duologue full of the sort of anecdote, reminiscence and explanation inev-Itable with historical subjects, smacking of careful research but only occasionally igniting

theatrically.
The style is naturalistic, though the stage darkens for moments of introspection or memory and brightens for everyday dialogue. Wallis resents David's abdication. He

adores her in a helpless, nice but dim sort of way.

He has also entrusted a shady businessman with Nazi sympathies with \$2m. As Wallis exclaims, "I'm 47, on my third marriage, and living with a barely-controlled alcoholic who's given a suitcase with our life savings to the with the revelation that local millionaire, Sir Harry Oakes, has been murdered.

There follows a hypothetical explanation of the Duke's historical blunder in summoning police help from Miami without informing American or British authorities.

Giles Havergal's direction can do little with such a static piece beyond sit the two characters down or stand them up, facing different directions. Maria Aitken (slinky black poolside wear, then slinky evening pyjama suit) elaborately opens and closes her legs and stylishly delivers the work's one flight of fancy, a dream combining images of sex and wealth. David Yelland, pudgily resembling the Duke, grovels at her feet with a slightly too plummy voice: royals then sounded less posh than BBC announcers.

Martin Hoyle

Theatre Clwyd, Mold Box office: 0352 755114

with fantasy sequences and orchestrations by Peter Maxwell Davies. Now at an age when demure discretion is expected, Sandy Wilson's ersatz 1920s frivolity taps, charlestons and high-kicks its enchanting way through a fortieth birthday season at the little theatre under the Charing Cross arches where it first saw the light of postausterity day.

in the cultural and political

t survived Ken Russell, complete

bers and a grim realisation

that the new South Africa may

in some ways be worse than

the old, the cultural debate has

One of South Africa's finest

essayists, Stephen Watson,

describes his feelings one day as he was preparing to lecture at the university. "I was forced

to realise with a feeling akin to vertigo ... that I no longer

knew what I was saying." Wat-

son found himself over-

whelmed by the conflicting

claims of university as ivory

tower and as "site of struggle".

In some degree every academic in the old, white, universities

The reasons, apart from the

sheer scale of the deprivation,

are not hard to understand.

Saul Bellow famously asked:

where is the Zulu Tolstoy?

has suffered this confusion.

urgency but little cogency.

Forty-first, to be precise, but who would be so ungallant as to point out that the first, short version of this flapper-age pastiche appeared in 1953, while the full-length edition for the West End dates from January 1954? In a time of sexual equality, boyfriends, like girlfriends, are presumably entitled to arithmetical discretion. In fact the new production by Maria

Musical theatre

The Boy Friend hits 40

a certain old D'Oyly Cartery on the piece, apparently recreating the original down to the last squeal and flounce. Not that there is much else you can do with the show, a perfect crystallisation of sweet, silly 1920s musicals perceived from a viewpoint part nostalgic, part amused, wholly affectionate. The songs ("I could be happy with you", "A room in Blooms-bury", "It's never too late to fall in love") could be taken for the authenfic period product. Disley Jones's bright designs are

Villa Caprice Finishing School is rightly dominated by Judith Bruce's Madame Dubonnet, her fractured Anglo-Gallic diphthongs indicating kinship with Peter Sellers' Inspector Clouseau. She strikes the right blend of involvement and ironic detachment - for all its resilience, the piece needs a delicate stylistic balance. I remember a Bristol Old Vic production somewhat overwhelmed by Eleanor Bron's conviction that she was the funniest thing on stage. As the millionaire's lovelorn daughter Polly Browne, Gemma Page has the right whitish, genteel English light soprano, very authentic. Unlike Twiggy in the film, she refrains from tap-dancing, but Oliver Hickey as Tony (messenger-boy-cum-fugitivefrom-the-peerage) dashingly makes up for it.

Occasionally one guiltily yearns for Ken Russell's forbidden, and overripe, fruit: Jane Stoggles' jolly French maid is in the Hattie Jacques rather than the Barbara Windsor tradition. State education has left us with enunciation less Coward of Mayfair than Heath of Broadstairs ("If Mme Dubonnet feound eout I'd be asked to leave under a cleoud") but for the most part the shrill cut-glass accents pass for diamonds. Wilson's rhymes strike one yet

again with their insouciant ingen well up to Cole Porter standard ("I don't claim that I am psychic/But one look at you and I kick/Away every scruple/I learnt as a pupil/in school my dear"). The band (piano, percus sion, bass) is under the direction of Geoffrey Brawn, almost as much an institution as The Boy Friend itself.

Martin Hoyle

The Boyfriend, Players Theatre, London. Box office: 071 839 1134

INTERNATIONAL

BERLIN .

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OPERA/DANCE Staatsoper unter den Linden Tonight's performance of Wozzeck is the first of four conducted by Daniel Barenbolm and staged by Patrice Chereau, with a cast headed by Franz Grundheber, Waltraud Meier, Graham Clark and Günter von Kannen. This week's repertory also includes Die Zauberflöte and a programme of choreographies by Alberto Alonso and Youri Varnos (200 4762/2035 4494) Deutsche Oper This week's highlights are Lucia di Lammermoor on Wed and Sat starring Lucia Allberti and Robert Alagna, and Der Rosenkavalier on Sun with Karan Armstrong, Yvonne Wiedstruck and Artur Korn, Repertory also includes

Hollander (341 0249) Schauspielhaus Tonight: Leopold CONCERTS Hager conducts Berlin Symphony Orchestra in works by Bizst, Ravel, Satie and Debussy, with soprano Ruxandra Donosa, Tomorrow: Olaf Henzold conducts Lucerne

Die Zauberflöte and Der fliegende

Symphony Orchestra in Berg and Schubert, Wed: Peter Schreier conducts CPE Bach Orchestra in Britten and Mozart. Thurs, Fri: Michael Schoenwandt conducts Bertin Symphony Orchestra in Berg and Beethoven, with soprano Patricia Wise, Sat, Sun: Rafael Frühbeck de Burgos conducts Berlin Radio Orchestra in Beethoven and Brahms, with piano soloist Rudolf Buchbinder. Sun moming, next Mon evening: Edo de Waart conducts Berlin Radio Symphony Orchestra in Barber and Richard Strauss (2090) 2156)

Philharmonie Tomorrow: Philharmonia Quartet plays string quartets by Beethoven. Shostakovich and Brahms. Wed: Alois Koch conducts Choir of St Hedwig's Cathedral in sacred works by Mozart and Bach. Thurs, Fri: Daniel Barenbolm is conductor and piano soloist with Berlin Philharmonic Orchestra in a programme of works by Mozart and Bruckner. Thurs (Kammermusiksaal): Antonio Moneses, accompanied by Cecile Licad, plays cello sonatas by

Beethoven and Brahms (2548 8132) THEATRE ' Der Reigen (La Ronde): Jürgen Gosch directs Arthur Schnitzler's cynical comedy of seduction. Just opened at the Deutsches Theater (2844 1225)

Oleanna: Johanna Schall directs a new production of David Marnet's powerful two-hander at the Deutsches Theater Kammerspiele. Opens on Sun (2844 1226) Fool for Love (Liebestoil); a new Schaubühne production of one of Sam Shepard's most popular and powerful plays, about two

former lovers who have an emotionally explosive reunion in a motel room on the edge of the Mojave Desert. Directed by Elmar Goerden (890023)

■ NEW YORK THEATRE Passion: Stephen Sondheim's

new musical based on Igino Tarchetti's 1869 novel about a woman's unrequited love for a handsome young army captain. Directed by James Lapine, In previews, opens April 28 (Ptymouth, 236 West 45th St, 239 6200) Carousel: Nicholas Hytner's London production of the Rodgers and Hammerstein musical has been recreated with Michael Hayden heading the American cast as Billy Bigelow (Vivian Beaumont, Lincoln

Center, 239 8200) Medea: a transfer from London of the acciaimed Aimeida production of Euripides' tragedy of revenge, staming Diana Rigg (Longacre, 220 West 48th St, 239 6200) Angels in America: Tony

Kushner's epic two-part drama contures a vision of America at the edge of disaster. Part one is Millenium Approaches, part two Perestroika, played on separate evenings (Walter Kerr, 219 West 48th St, 239 6200) Four Dogs and a Bone: John

Patrick Shanley's comedy about movie-making and power plays in Hollywood was one of off-Broadway's biggest hits last autumn (Lucille Lortel, 121 Christopher St, 924 8782) The Sisters Rosensweig: Wendy Wasserstein's play, a comedy with

serious undertones, about the

reunion in London of three American Jewish sisters (Ethel Barrymore, 243 West 47th St, 239 6200)

 Laughter on the 23rd Floor. Neil Simon's 27th Broadway play. about a group of writers trying to come up with a new show, is one of his finest comic efforts. Directed by Jerry Zaks (Richard Rodoers. 226 West 46th St, 307 4100) Kiss of the Spider Woman: a

musical with songs by Kander and Ebb and a star performance by Chita Rivera in the title role (Broadhurst, 235 West 44th St, 239

 My Fair Lady: Howard Davies' genial new production of the Lerner and Loewe musical, with Richard Chambertain as a suave Professor Higgins and Melissa Enloo the attractive Eliza (Virginia, 245 West 52nd St. 239 6200)

 Pounding Neils into the Floor with My Forehead: Eric Bogoslan's monologue on life in the 1990s mows down all the sacred cows of political correctness. A scathing, scatalogical, exhilarating rant. Final week (Minetta Lane, 18 Minetta Lane east of Sixth Ave, 307 4100) OPERA/DANCE

Metropolitan Opera The final week of the 1993-4 Met season brings Tosca, Otello, Aida and Ariadne auf Naxos. American Ballet Theatre opens a six-week season next Mon, including performances of Kevin McKenzie's production of The Nutcracker, the world premiere of a new work by Canadian-born choreographer James Kudelka and revivals of Tudor's Echoing of Trumpets and Les Sylphides (362

60000 State Theater New York City Ballet's Spring season opens on April 28 with a two-week run of Peter Martins' production of Sleeping Beauty (870 5570) CONCERTS Avery Fisher Hall Thurs, Fri, Sat

next Tues: Leonard Slatkin conducts New York Philharmonic Orchestra in works by Haydn, Ravel, Debussy and Copland, with baritone Thomas Hampson, Sun afternoon: Andrew Litton conducts Bournemouth Symphony Orchestra in Sibelius and Shostakovich, with violin soloist Cho-Liang Lin (875 5030), Next Mon in Alice Tully Hall: Cecilia Bartoli song recital (721 8500) Carnegle Hall Tonight and tomorrow: Giuseppe Sinopoli conducts Dresden Staatskapelle In two programmes, including symphonies by Brahms, Beethoven and Schumann. Wed: Ursula Oppens piano recital. Thurs: Jon Faddis conducts Carnegie Hall Jazz Band and others in works by Ellington, Jelly Roll Morton and others. Fri: New York Pops. Sat: Neeme Jarvi conducts Detroit Symphony Orchestra in works by Rakhmaninov, Saint-Saens and Ellington, Next Mon: Pinches Zukerman plays Brahms' Violin Concerto (247 7800)

PARIS

DANCE/OPERA Palais Gamler Opéra Ballet presents a new full-length work by Angelin Preljocaj tomorrow, Wed, Thurs and Fri. Entitled Le Parc, it is set to music by Mozert (4742

Opéra Bastille Gluck's Alceste opens on Wed in a production by Achim Freyer originally staged for last year's Vienna Festival. Graeme

Jenkins conducts a cast led by Meria Ewing and Gary Lakes (repeated April 22, 26, 28, 30, May 3), Simon Keeniyside gives a song recital on Thurs (4473 1300) Opéra Comique The final three performances of Werther are tomorrow, Wed and Thurs, with Christian Papis and Luca Lombardo alternating in the title role. Laurent Petitgirard conducts a staging by Glibert Blin (4286 8883) CONCERTS

Théâtre des Champs-Elysées Thurs: Arturo Tamayo conducts Orchestre National de France in works by Ohana and Falla, with mezzo soloist Grace Burnbry. Sun morning: Lindsay Qurtet plays Shostakovich and Mozart. April 26: Muti conducts Vienna Philharmonic. April 28: Solti conducts Cosi fan tutte (4952 5050) JAZZ/CABARET

Texan blues and gospel singer Sonny Rhodes begins a two-week engagement tonight at Lionel Hampton Jazz Club, accompanied by his own blues band. Music from 10.30pm to 2am (Hotel Meridian Paris Etoile, 81 Boulevard Gouvion St Cyr., tel 4068 3042) THEATRE

 Hamlet: Georges Lavaudant's swift, exciting new version of Shakespeare's play is in repertory till the end of the month at the Comédie Française, with Redjep Mitrovitsa as a flery Danish prince (4015 0015)

 Le Cid: a new production of Corneille's archetypal play of love against honour, directed by Francis Huster at Théâtre de Marigny (4256

ARTS GUIDE Monday: Berlin, New York and Tuesday: Austria, Belgium, Netherlands, Switzerland, Chicago, Washington. Wednesday: France, Ger-many, Scandinavia. Thursday: Italy, Spain, Athens, London, Prague. Friday: Exhibitions Guida.

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WEDNESDAY NBC/Super Channel: FT Reports 1230

FRIDAY NBC/Super Channel: FT Reports 1230 Sky News: FT Reports 0230,

SUNDAY NBC/Super Channel: FT Reports 2230 Sky News: FT Reports 0430, 1730;

The Bretton Woods twins at 50

he International Mone tary Fund and World Bank have every reason to celebrate their 50th anniversary this July. Of course they have made some bad loans and shown insensitivity on some issues, such as poverty relief and the environment. But critics should remember that these institutions, on the whole, championed the right causes. They advocated free markets and conservative macroeconomics when such policies were reviled by the developing (and developed) world's intelli-

Yet at this moment of triumph the future of the Bretton Woods twins is murky. Over the next 50 years the power and prestige of these agencies and many like them - is likely to decline. This should not be read as a criticism of their mostly able and dedicated staff. It will instead reflect profound changes in the economic landscape ~ changes that are already beginning to reduce the demand for their bureau-

The fund and bank, admittedly, have adapted skilfully to changing circumstances. The fund no longer supervises a fixed exchange rate system (because that long ago vanished) nor is it concerned solely with short-term macro stabilisation. The bank has long ceased to be simply a supplier of project finance. Today. both institutions are engaged in "policy-based" lending, both are trying to promote structural reforms; both are concerned with long-term development. This suggests a clearer division of labour and some rationalisation of functions is possible, as the independent Bretton Woods Commission is likely to recommend later this

But a 50th anniversary year review of their operations ought to dig a little deeper. The fund and bank, I would argue, are engaged in three distinct activities: the provision of economic advice; the supply of development capital; and the certification of policies as sound or unsound. All three activities are separable, and all three can, in principle, be provided by the private sector. On advice, there is now

broad agreement on the mar-



MICHAEL PROWSE on AMENÇA

ket-friendly policies likely to promote development. Private consultants are perfectly capable of devising economic reform strategies for developing and formerly communist countries. Meanwhile, the lifting of controls on capital flows and the growth of pension funds and other forms of institutional investment in rich countries has created a huge pool of mobile private capital.

From a trickle in the early 1980s, total private flows to

developing countries have become a torrent, worth about \$110bn last year. They look durable because the bulk is long-term equity and bond finance. Foreign direct investment is now the single largest source of capital for developing countries, rather than official aid or loans, which have stag-

Despite this revolution, agencies such as the fund and bank claim to have a critical role even in the middle-income countries that can so easily attract private capital. They say they are uniquely well placed to influence economic policies - and thus promote development - because they can make loans conditional on policy changes. By serving as scapegoats, they claim they can also provide political cover for unpopular but essential domestic reforms.

There is something in this conditionality argument. The fund and bank can doubtless point to instances where reform would not have occurred but for their prodding. But as the fund's problems in Russia illustrate, the leverage of external agencies is pretty limited in the absence of a domestic consensus for

The long list of perpetual borrowers from the fund and bank illustrates the dark side of policy-based lending. Governments promise to make reforms in order to get loans,

and then renege on their promises. After a cooling-off period, the process repeats itself. The fund and bank thus become unwitting obstacles to reform; their loans enable countries to pursue rotten policies for longer than would otherwise be the case. Trying to be kind, they create more, rather than less, misery. The private sector alterna-

tive seems far cleaner. If a country wants to implement market-oriented reforms, it can buy the necessary advice privately. Once it has proved its good faith, bankers and private investors will be clamouring at its doors. And it is not true, as some sceptics argue, that private investors are willing to risk their shirts only in relatively prosperous countries already under the tutelage of the bank and fund. The example of China, which attracted more than \$20bn in private inflows last year, shows that countries with very low per capita incomes can attract private capital without an official badge certifying good behav-

Yet the bank and fund are still needed. Even in a liberal global economic order, governments must co-ordinate policies, so as to avoid destabilising shifts in fiscal, monetary and exchange rate policy. There will still be financial emergencies, such as the debt crisis of the early 1980s. It is in these spheres, rather than conditional lending, that the fund has most to offer. The bank, meanwhile, should accept that many of its historic tasks can now be performed by private bodies; a slimmed-down agency should focus its energies on the poorest regions, such as sub-Saharan Africa, where the outlook for private investment is bleakest.

What the fund and bank can no longer deny is that the growing competence of the private sector in all aspects of development finance logically requires a tighter definition of their role. Public agencies, as they have long argued, exist to perform tasks that the private sector either cannot do at all, or cannot do well.

politics and religion have often been uncomfortably close in Japan, And the two estates are getting closer these days, to the alarm of many in a country whose postwar constitution imposes a broad but imprecise ban on religions exercising political authority.

Japan's largest and richest religious organisation, the Buddhist sect Soka Gakkai, is ı significant, yet poorly understood, behind the scenes force in the political upheavals likely to lead to the formation of a new Japanese government

Founded 64 years ago as a pacifist protest against state Shinto ritual, Soka Gakkai is now part of the political establishment as the power behind Komeito, the clean government party. Komeito's partnership with the conservative Japan Renewal Party dominates policy in the fragmented sevenparty coalition. Mr Tsutomu Hata, leader of the Japan Renewal Party, is a potential successor to former prime minister Morihiro Hosokawa though the outcome is unclear

Formally, Soka Gakkai and Komeito are separate organisa-tions, but their links run deep: all but six of Komeito's 76 members of parliament belong to Soka Gakkai and use its 1 000 community centres to address the faithful during election campaigns.

Komeito's opponents in the opposition Liberal Democratic party suspect that Mr Daisaku Ikeda. Soka Gakkai's 66-yearold leader and founder of Komeito 30 years ago, still runs his old party from behind the scenes. Mr Ikeda, author of more than 60 spiritual tomes, is portrayed by critics as a billionaire megalomaniac. He was forced to demerge Komeito and Soka Gakkai in 1970. Komeito was then the political department of Soka Gakkai and Mr Ikeda was alleged to run both as personal fiefs.

still makes it an attractive political friend. Political parties badly need new non-corporate backers because of a law curbing the size of political donations from any one source. Soka Gakkai's most avid suitor is the wily Mr Ichiro Ozawa, deputy head of the JRP. His opponents accuse him of using his alliance with Mr Yuichi Ichikawa, Komeito sec-

But Soka Gakkai's wealth

retary-general - dubbed the "Ichi-ichi line" in Japan's press to dominate the coalition. Soka Gakkai's attractions are obvious. The sect and its affiliates own a daily newspaper with a circulation of 5.5m

The alluring call of the Buddha

Religious loyalties exercise increasing influence in Japanese politics, says William Dawkins

and a gravestone business, and it has established its own university. The newspaper, Selkyo imbun, the sect's biggest cash source, reported a Y9.4bn (£62m) profit in 1991. The group is, however, shy about divulging its precise income.

Soka Gakkai's influence also derives from its following among the spiritually inclined in Japan's armies of salarymen. Its membership - about &m households in Japan and 1.3m abroad - makes it the most successful of the halfdozen new religions to have grown over the past few decades by offering a community and spiritual dimension to city dwellers who feel their lives lack depth.

Mr Ikeda's officials are baffled at their movement's controversial public image. They insist its influence is benignly ethical and deny it finances any political party. Yet they accept its increased influence imposes new responsibilities: they have to offer a clearer vision for Japan than a bland diet of universal harmony.

Here, the main influence is Mr Einosuke Akiya, Soka Gakkai's president and a close friend of Mr Ikeda. "Religion is the underlying current in human life . . . so there is going to be some kind of involvement in politics, based on religious ideas." he savs.

'Soka Gakkai members are awakening to their political responsibilities'

There is nothing new in this, he adds. Three years ago. Komeito helped the former LDP government win parliamentary agreement to send peacekeepers to help the United Nations in Cambodia

Mr Akiya wants Japan to play a greater role under a UNsed international system, on which he is deliberately vague. But he has clearer views on development aid. "Japan must do more than merely provide



international aid to satisfy its obligations to the world community," he says. It must discuss aid projects with recipients, and send more aid

workers into the field. The sect does not, however, plan to impose a parliamentary whip on Komeito members, he says. It does not have to. At least one Diet member has found offending Mr Ikeda left him no option but to resign.

Romeito politicians see no constitutional problem in bringing Buddhism to politics if the party and sect stay institutionally separate. "Yes, Soka Gakkai supports us elec-torally, but Komeito handles its own political business," says Mr Akibiro Ohta, Komei-

to's vice-secretary general. Dr Masami Kita, economics professor at Soka University likens the relationship with Komeito to the Presbyterian Church of Scotland's support for the Labour Party in the 19th century, "Soka Gakkai members are awakening to their political responsibilities and exercising their political rights." he says The benefits to Komeito of

the relationship are clear. It regularly pulls in 7m votes at general elections and is rarely defeated in any seat on which it can afford to concentrate resources. Its election candidates address the faithful at

The sect went to the trouble of providing a laundry service for the faithful

the end of monthly Soka Gakkai worship sessions. Their speeches usually follow a simulcast talk over a central television screen in each of the sect's community centres by Mr ikeda, offering moral guidance from the lives of a wide range of figures from Beethoven to Napoleon

Part of Soka Gakkai's appeal, say members, is to bring spiritual freedom to people who feel

ers, who were jailed as "thought criminals" for challenging the monopoly of state Shinto of the 1930s.

The movement expanded fast after the second world war, under Mr Ikeda's leadership. Another surge came in the 1960s from the first generations of salarymen, often sent to Tokyo to live in company dormitories away from their families, Soka Gakkaı even went to the trouble of providing a laun-

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dry service for the faithful. But Soka Gakkai's membership has stagnated in recent years. New religious converts have flocked to younger fringe groups, such as the ultra-na-tionalist Institute for Research into Human Happiness, or to Agon-shu, which uses its own satellite television station to blast healing psychic power at

Even before the recent spiritual revival, the Japanese showed a unique capacity to follow several faiths at once, suggesting a dilettante approach to religion which could rebound on Soka Gakkai. At last count, the govern-ment's cultural affairs agency knew of 231,000 Japanese religious sects with 215m members more than 1% times the nation's population of 124m.

Soka Gakkai's inability to benefit more from this religious revival may result partly from the damage to its image when a safe belonging to a former director of its newspaper, containing Y175m, was found discarded on a Yokohama rubhish dump in 1989.

The coalition government even felt it necessary three months ago to make a small increase in the low tax rate on religious groups' business profits, in response to public criticism of the tax privileges allowed to Soka Gakkai and other rich movements.

The sect's image may equally have been harmed by its mass excommunication three years ago from the 700year-old Nichiren Shoshu Buddhist sect on which its teachings are based. Mr Ikeda's followers had accused the Nichiren monks of "playing golf and living madly spendthrift lives".

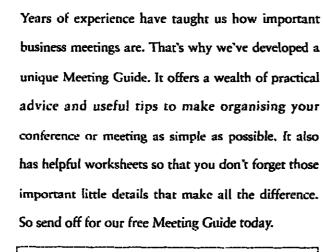
Mr Akiya is undismayed and likens the split to Christian protestants' breakaway from the Catholic church. "We have been liberated," he says.

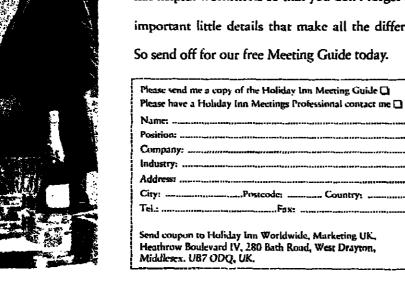
Despite its ambivalent public profile, Soka Gakkai wili be part of Japanese public life for some time. It is so powerful that the wobbly coalitions likely to run Japan for the foreseeable future cannot afford to

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LETTERS TO THE EDITOR --

Number One Southwark Bridge, London SE1 9HL Fax 071 873 5938. Letters transmitted should be clearly typed and not hand written. Please set fax for finest resolution

for not balloting members

From Ms Barbara Roche MP. Sir, Your editorial "Paying for parties" (April 14) supports the recommendations in Labour's minority report on the funding of political parties that shareholders should be balloted on company dona-

When your reporter pressed Sir Ivan Lawrence at the launch of both Conservative majority and Labour minority reports as to why this measure was not included in the majority report, he pooh-poohed the idea suggesting it was not nec-essary and would be far too complicated for companies to

administer. This is a poor excuse. Our minority report calls for exactly the same regulations which apply to political donations from trade unions to be applied to companies. In other words, that companies wishing to make political donations should establish a political fund approved by shareholders every 10 years, and that provi-sion should be made for share-holders who do not wish to

contribute to opt out. Unless such a recommendation was implemented in law the position is clearly not going to change.

A recent survey by Pensions and Investment Research Con-sultants found boards defend-ing their decisions not to con-sult shareholders by claiming donations are "falling within the remit the management, not the shareholders" (Smith Kline Beecham) and "a matter for the board" (Glaxo). Where shareholders are "consulted" the methods are often not a model of democracy: Allied Lyons told the survey that the mood" of the annual meeting was in favour of a donation, "judging from the applause which met the chairman's com-

ments". This is an issue around which democrats in all parties should unite. It is a pity that Conservative members of the home affairs select committee have shown so little regard for democracy and openness. Rarbara Roche. House of Commons London SWIA GAA

Poor excuse | Chance to blaze regulatory trail From Str Ioin Vallance. | themselves in what is now a tially to cater for a duopoly in Sir. Your leader "Sizing up fully open market. We already telecommunications sits

Sir, Your leader "Sizing up the watchdogs" (April 15) argues the case for moderation in changing regulatory regimes of the energy, water and telecommunications industries. For the most part, I would agree with you and with Sir Bryan Carsberg, director-general of fair trading, that an

evolutionary approach is preferable to some more extreme ideas now being suggested. I also agree that an all powerful regulatory giant, sitting astride the whole process. would be highly undesirable. If anything, we should be aiming to dilute the current concentra

tion of power in regulatory hands rather than adding to it. In particular, it would be wrong to lump in telecommunications with the utilities. Telecommunications regulation is a transitional process. while competitors establish

fully open market. We already have a decade of experience behind us. The utilities are relatively recent arrivals on the scene and their regulation can be expected to be a permanent feature, as there will always be a strong element of monopoly in their markets.

Oftel provided the original experiment in UK regulation and there is an opportunity to use it again to blaze the trail for the next stage of regulatory evolution. There are a number of reasons why a judicious review of the Oftel framework would be timely.

First, 10 years without any review is a long time. Second, it is becoming increasingly clear that separate regulation of telecommunications and broadcasting makes little sense when the two industries are evidently converging. Third, a

uncomfortably in a market with a multiplicity of partici-

A review of Oftel for these reasons would offer the government the opportunity, at the same time; to try out some of the more sensible proposals for reform that are now being advocated - such as more explicit regulatory objectives, greater transparency, less concentration of power in one individual, and possibly even a "short cut" review procedure at the Monopolies and Mergers Commission. But, as Sir Bryan wisely counsels, such a review should reinforce and not undermine the current separation of powers between regulator and department of state. Iain Vallance, chairman,

BT Centre, 81 Newgate Street, framework designed essen- London ECIA 7AJ

Electorate does want new direction

exciting slogan.

Sir, No political career is ever damaged by praising the party leader and who would want to stand in the wav of Giles Radice's path to power. Yet I would question his assumption (Letters, April 14) that the opposition should not say what it is about.

From Mr Austin Mitchell MP.

We've gone too far in trying to over-compensate for our folly in offering long and insane shopping lists in the early 1980s. Now we offer nothing much at all. Except commissions. "What do we want?",

No call for

state funding

From Mr Chris Mullin MP.

do not intend to discuss it.

Chris Mullin.

House of Com

SWIA QAA

deliver what the people expect of the system: johs, economic growth, rising well-being, the

ate does and the nation is fed up with stumbling decline. everything getting worse, the feeling that this government cannot even find a course to be blown off. It wants to be part of a nation which is going somewhere and which can

Those who want to hand

power over to a European cen-

tral bank don't need an eco-

nomic alternative. The elector-

"Wait and see" is hardly an | maximisation of living standards. All is possible and the public have moved ahead of us in their willingness to accept the necessary measures.

After 16 years of marching the wrong way down a dead-end street they want leadership in a new direction. Unless we capture that tide as did Mrs Thatcher in 1979, and Labour in 1963, we become wise, statesmanlike, friendly, commautaire and irrelevant. Austin Mitchell. House of Common

London SWIA QAA

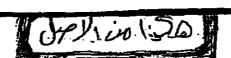
Who wants another channel? From Mr Geoff Westcott. Sir, I have read with interest the recent letters concerning Sir, Your leading article,

Channel 5 (April 13 and 14). "Paying for parties (April 14), Each of the writers has laudon the report of the home affairs select committee on the ably stated their vested interest and then proceeded to funding of political parties, claims that the Labour minordefend their position. It has been stated that viewers will not wish to buy a new TV set ity called for state funding. It then goes on to criticise us for to gain a new channel (or channels). This is quite true in In fact our minority report many cases, but it seems to be makes no reference to state overlooking the fundamental attitudes and requirements of funding except to say that we the viewers - do we actually want another channel?

Production standards in television seem to be lagging behind viewers' expanding Arundel, W Sussex BN18 OFT

requirements; we now have Eastenders and Coronation Street three times a week but that is "safe" television and is hardly intellectually stimulating. Even the so-called "hardhitting" documentaries have resorted to sensationalism and mediocrity. If Channel 5 is going to provide more of the same, trrespective of whether it is digital or analogue, is it worth having? Mr Miles (April 14) argues that advertisers need another channel; but do use the consumers need one? Geoff Westcott.

Main Road, Yapton,



on suspicion of skipping school.

A creckdown on classroom absen-

teeism may not be one of the

weightiest reforms introduced to

New York in the past three months by its mayor, Mr Rudolph Giuliani,

yet it is symbolically significant: the city's first Republican mayor in

20 years is taking the unruly

metropolis by its collar and trying to shake it into greater self-disci-

Mr Giuliani, who has just cele-

brated his first 100 days in office,

has been a whirl of policy initia-

tives - in sharp contrast to the

reactive style of his Democratic pre-

decessor, Mr David Dinkins, New

York's first black mayor, whom Mr Giuliani narrowly defeated in last

The mayor's reform programme,

designed to avert a looming budget crisis and reverse deterioration in

the city's "quality of life", has four

The first is a crackdown on crime

under a tough new police chief, Mr

William Bratton. For example,

police officers on the best can now

arrest drug dealers, rather than

leaving this to special narcotics

squads. The anti-truancy patrols are

designed in part to pinpoint juve-nile criminals, whose numbers are

Second, the mayor wants to

reform the school system, which

suffers from declining standards,

dent violence. While vital, this is a

complex task on which he has yet

to formulate clear policies. His ini-

tial goal - to cut education bureau-

crimbling buildings and rising stu-

growing disturbingly.

pline, both fiscal and social.

Disaster at Gorazde

Saturday was a black day in the history of both Nato and the United Nations - the two institutions on which it had seemed possible to build some semblance of world order after the cold war. The debacle at Gorazde is a disaster for Bosnia - one more, after so many. It is a catastrophe for Unprofor, the UN protection force in the former Yugoslavia

Many reputations will be tarnished. Those special envoys who last week were uttering opti-mistic statements about ceasefires and compromise solutions are left looking irredeemably foolish. A sadder casualty - given the hopes that had been raised by his efforts until last week - is the reputation of Unprofor's commander in Bosnia, General Sir Michael Rose.

For two months General Rose's energy and ingenuity, backed by an apparently firmer sense of pur-pose among his political masters, had made it seem as if Unprofor was actually capable of carrying out its mandate, and even as if that mandate was clear and coherent. But in truth the mandate remained contradictory.

It was often asserted, not least by General Rose himself, that Unprofor was a neutral peacekeeping and humanitarian operation, authorised to use force only in its own defence. Given the size and nature of the units composing it, that was perhaps the only realistic way for its commanders to interpret their mandate. But that interpretation ignored many paragraphs in the relevant UN Security Council resolutions. which authorised the use of force not only to ensure that humanitarian aid reached the people who needed it, but also to defend the so-called "safe areas".

It also ignored the political context in which those resolutions were passed, which was one of worldwide outrage at the violent

The world at large has not wavered in its judgment that the principal aggressors are the Bosnian Serbs, aided and abetted by very different from the prospectus Serbia. The Security Council has offered in 1980-91.

imposed very tough sanctions on Serbia, and the "safe areas" it proclaimed were all places still held by the Bosnian government, but threatened by the Serb advance. It is hardly surprising, therefore that the Serb forces regarded Unprofor with intense suspicion especially whenever its command

ers showed signs of taking their mandate seriously and being pre pared to use force to carry it out Perhaps if General Rose had been given the extra troops he asked for, he might have succeeded. As it was, the Serbs called his bluff, and he underestimated the gravity of their challenge until it was too late. Then Nato provided "close air support" at his request, but this was not enough even to protect UN personnel, let alone to protect the "safe area" of Gorazde and its population. Only a

affected the military outcome, and for this there was no stomach either in national capitals or at Unprofer HQ. Logically there are now only two options left. One is for Unprofor to be called out and the Bos nians left to fight their own war, with weapons and perhaps also air cover from sympathetic outsiders.

much more intensive air bombard-

ment of Serb forces could have

cracy so more money can flow to The other is for Unprofor to be massively reinforced and equipped schools - is only a partial palliative. Third, he wants to create a more favourable business climate, and Neither option is likely to be has made a modest first step by adopted. The Serbs are in a posiproposing small cuts in the corpotion to make Unprofor's withrate tax burden. Finally, he is trydrawal very difficult, and few ing to end that longest running of western governments will be pre-pared to take responsibility for the New York shows - the city's recurrent budget crisis - with a reform tikely immediate consequences for of its finances, privatisation of ser-Bosnian civilians, who for better

vices and an efficiency drive. or worse have come to depend on His immediate task is to bridge a the UN humanitarian relief effort. potential \$2.3bn budget gap in the But governments will be even les year beginning July 1. His remedies willing to contemplate an all-out include cutting the municipal workwar with the Bosnian Serbs. The force by 15,000 and wringing prosad probability is that Unprofor will stay, becoming ever more con-strained in its relief role and in ductivity concessions out of the unions: consolidating various government departments; and selling off at least four municipal hospitals, effect serving to ratify the results of Serb aggression. The reality of 85 petrol stations and a television the new world order is proving and radio station. He is also trying to get New York state to assume a fairer proportion of Medicaid, which provides healthcare for the indigent and is one of the largest and fastest

growing budget items.

lenges of necovery?

again for 1996.

UK is rising and compa-

nies are returning to profit after record losses.

So why do British contractors

sound so universally gloomy? Is it

that, like the apocryphal farmer,

they will never admit to better

times, or is the structure of the industry unable to meet the chal-

Building material companies fore-

cast a 2 per cent rise in construc-

tion this year, the first annual

increase since 1990. A further rise of

2.5 per cent is predicted for 1995 and

A survey by the Chartered Insti-tute of Building claims that the

industry hired twice as many per-

manent staff during the first few

months of this year as at the start of 1993. Pay levels have started to

rise in some companies as they seek

to hold on to remaining staff to

Montrose Technical Recruitment,

one the largest UK construction

recruitment consultants, says: "Reg-

istered job vacancies with construc-

tion employers have risen by 44 per cent in the first quarter compared

with the first three months of last

cope with the increased work.

t is mid-morning in Manhat-tan and a pudgy 13-year-old Spicy recipe for boy is playing video games in an amusement arcade just off Times Square, that crossthe Big Apple roads of bright lights, sexual sleaze and tourist tat. A team from New York City's new anti-truancy police squad accosts the child, orders him into a van, and detains him for 90 minutes

Martin Dickson assesses the impact of Mayor Giuliani on New York's long-running financial and social problems



There are many poor in the city . . .

The business community sees the budget package as a good start, though some critics argue the mayor has been insufficiently radical, particularly in shielding from cuts the heavily staffed fire and police services, which backed him strongly in November's election.

Mr Dean Mead, of the Citizens Budget Commission, an independent watchdog agency, says the package "holds promise. I don't see anything in it that is going to change dramatically the economic climate of the city, but it is the beginning of that process".

But along the way, the mayor has stirred up controversy. Many New Yorkers say he has yet to demonstrate the skills of diplomacy and political compromise needed to run the world's most polyglot city

smoothly over the long haul. For Mr Giuliani, a 49-year-old former US attorney who made his name in the 1980s with the zealous prosecution of New York drug dealers, mafiosi and Wall Street insider traders, has brought to City Hall the bullying, trascible style of the courtroom interrogator, pouring personal scorn on politicians and

year, while the number of people placed with construction companies is almost double that of the corre-

Yet in recent weeks, as chief exec-

utives have announced profit fig-

ures for last year, their accompany-

ing comments have been almost

universally pessimistic. The reason is less the size of their UK order

books than the low prices at which

they are winning contracts. These

leave little or no margin for profit.

John Laing, blames low margins on

contractors with high borrowings

which need a regular flow of cash

payments to meet interest charges;

contractors have been bidding for

contracts "at the expense of profit".

He also criticises banks and institu-

tional shareholders which, he says,

support "enfeebled contractors" and

add to damaging over-capacity in the construction industry. His company, which announced a

Mr Martin Laing, chairman of

sponding period last year."



... and New Yorkers expect Mr Giuliani to solve their social problems

civil servants who cross him. The strength of this approach was shown at the start of this month when he pressurised the normally bellicose municipal unions into accepting voluntary redundancies. its weakness was underlined a week ago, when his interference and insults prompted the highly respected head of the schools sys-

tem briefly to resign. The new mayor is walking a fine line. As the first Republican mayor of Democratic-dominated New York since the aristocratic Mr John Lindsay in the 1960s, he has few political debts to pay, and therefore has the best chance in a generation of reforming the city's government.

'New York's immigrant-driven culture has given it a ragged energy reminiscent of the turn of the century

But he also needs to talk softly, if he is to win the co-operation of the Democrat-controlled city legislature and municipal agencies The first real test of the adminis-

tration's effectiveness will come this spring as Mr Giuliani tries to build a consensus in the legislature for his budget cuts. His predominantly white administration also needs to build bridges to the city's minority communities, particularly the black 25 per cent of the population which supported Mr Dinkins. "I think he's off to a good start," says Mr Felix Rohatyn, the veteran banker who helped save the city from a more serious financial crisis in the mid-1970s. "But it's very important that as soon as poss he be seen as mayor of all the people of the city... There are still a lot of racial tensions in New York." How Mr Giuliani manages this balancing act could have a profound impact on the future of New York, for he has come to office at a deli-

cate point in the city's history. its

mounting social and financial problems could mean a slow but inexorable economic decline, while solutions to them could prompt revival. New York is not alone in its problems. Many large cities face budget crises, high crime, an alienated black underclass and a flight of business and the middle class to the suburbs. Nor is it alone in electing a reformist, market-oriented mayor Over the past year cities as varied as Los Angeles and Jersey City

their traditional Democrats. However, New York does have unique features which set it apart from all other US cities, both exacerbating its problems and offerng long-term strengths.

voted in Republicans in place of

On the positive side, the compact nature of Manhattan, its reliable subway system and its cultural attractions means that it has not suffered too badly from "white flight" to the suburbs. At the other end of the income spectrum. New York retains its allure for new immigrants, who have revitalised

some of the city's most decayed sections. "New York's immigrant-driven culture has given it a ragged energy reminiscent of American cities at the turn of the century," says Professor Peter Salins, editor of the right-of-centre City Journal.

However, the city also has a larger than average quotient of those in need - be they newly landed immigrants, victims of Aids and crack cocaine, the indigent or the deranged. New Yorkers, moreover, have long expected their government to do more than other cities to solve their social problems. The city runs the largest subsidised housing programme in the US, as well as 15 municipal hospitals and an elaborate system of shelters for

Its bureaucracy is also unusually bloated, thanks to the strength of the municipal union movement and its close ties to the Democratic party machine. Over the past six years, employment by the municipality has risen by 15,000, while a prolonged recession - the result of the 1987 stock market crash and the 1990-91 national downturn - has cut the total number in work in the city by 345,000, or 9.5 per cent.

ll these factors mean that the city's spending is growing much more sharply than its revenues, which were seriously dented by the recession of

Mr Giuliani will be helped by a recovery in the regional economy which began last year, though this looks like being painfully slow, and employment may not recover to prerecession levels till around the turn

of the century. Still, provided New York tackles its "quality of life" problems, many observers think the city could grow healthily over the coming decades, drawing on what are still immens comparative advantages.

It seems in no danger of losing its position as the world's pre-eminent financial hub. That said, it cannot rely on Wall Street for jobs growth. The securities industry has boomed over the past three years, but this has created relatively few new jobs in Manhattan, partly because information technology has increased productivity and partly because companies have moved much of their routine "back office" paper-work to cheaper cities as far away

as Florida. Yet New York remains the single greatest source of creative and intellectual capital in the US and is a leading centre for two of the sectors which seem likely to enjoy particularly strong growth over the next few decades: entertainment/information and international trade. Mr Mitchell Moss, head of the Urban Research Centre at New York University, says the city's competitive, cosmopolitan nature means that "it is still a phenomenal magnet for the talented". Mr Giuliani just has to keep it that way.

Latin America

official has advised Latin American governments to do what they can to strengthen trade unions. And it is a far cry from the Reagan and Bush years when that same official argues that markets alone, without governments, cannot bring prosperity.

Yet this was the message of a powerful speech by Mr Lawrence Summers, the US Treasury undersecretary, to the InterAmerican Development Bank last week. His words, if put into action, would have profound implications for Latin America and other developing regions. They also contain

such as the IADB were, he said, as important to the new world order as the regional security organisations were to the old one", as the challenge of defeating communism had been replaced by

tainly have much to recommend them in helping to address social problems that threaten regional prosperity. On its own, however, throwing money at social prob-lens will not work. Nor is there any one blueprint for succe confronting them. And if it goes too far in emphasising government action on social issues, there is a danger that the US adminis-tration could help to reinforce rather than to remove obstacles to

As Mr Summers himself implied, Latin American governmanagement and market-oriented reform programmes. The first pri-ority for governments attempting

social issues will raise conflicts wishing to block further necessary reforms. Most Latin American countries already have strong labour laws (though they are unevenly applied) which inhibit competitiveness and benefit those with jobs at the expense of the unemployed. Public-sector trade unions continue to impede reform of bureaucracies, health and edu-

hobble competition from poorer

countries? Some of these concerns can be alleviated by the multilateral approach described by Mr Summers. But Washington must take care not to impose its ideas on Latin America. Otherwise, its new drive for social justice in Latin America will be seen as a covert

Gurría's career

■ All those Wall Street houses assiduously courting José Angel Gurria, Mexico's chief debt negotiator through the 1980s, will have to call it a day - for now.

ministry official, who has graced many a headhunter's list since he wrapped up the debt negotiations in 1990, has signalled that his considerable ambitions are currently focused on the domestic political scene. Over the weekend, he bowed out as head of the state development bank and joined the ruling Institutional Revolutionary Party as secretary for international

The flamboyant former finance

Battling along after the assassination of its presidential candidate Luis Donaldo Colosio. the PRI faces a plummeting stock market and rising interest rates. So there's no doubt it needs an effective spokesman to calm foreign concerns about Mexico's future. Fluent in at least four languages,

the invariably good-humoured Gurria has charmed scores of financiers over the years. But even he, with his remarkable ability to sell a story in the worst circumstances, may be hard pushed to promote the PRI effectively. If he succeeds, and the party wins

the August election, the prize

should be a top job in the next

administration. If not, the strens

transparency in financial reporting

57 per cent rise in 1993 pre-tax profits to £18.3m, estimates that over-capacity in the industry is running at the prices charged by building material producers and sub-contractors likely to offset any rise in tenabout 30 per cent. By contrast. building material companies have been much more successful in cut-

Contracting margins

Andrew Taylor on the gloom among UK builders

ting capacity.
Over-capacity has led to a fall in prices at which contractors win jobs, by 22 per cent since 1989; but list prices for building materials and labour have risen by 21 per cent according to E.C. Harris, the construction cost consultancy.

Some of the difference between tender prices and costs will have been made up by claims for additional payments to meet "unforeseen" design changes which traditionally arise after contracts have been signed. E.C Harris also says there is evidence of a pick-up in construction tender prices of about 2.5 per cent since last summer. Even so, margins are likely to remain paper thin, with increases

der prices. Even if tender prices were to rise sharply they might not affect published earnings figures for another two years or more because of the time lag before profits from projects are included in accounts. says Sir Brian Hill, president of the

Building Employers Confederation. Lead contractors are also being squeezed on another front. Part of their profit comes from advance payments from customers. These are held on account, earning interest, until they are passed on to subcontractors. Falling interest rates reduce this income. As in many industries, sub-contractors complain about the length of time it takes for main contractors to make payments - another sign of cash

problems. Laing's forthright comments about banks' support for weaker

companies nave angered some rivals. Concerns about over-capacity, however, are shared by senior executives in other companies. Sir Alan Cockshaw, chairman of Amec, the international construction company which last year made pre-tax profits of just £21m on a turnover of \$2.18bn, says the industry is in need of rationalisation.

Some are better placed than others: housebuilders, for instance, which are leading the sector out of recession. Sales are rising and margins have begun to improve as prices increase and builders use up expensive land bought in the late

There is nevertheless concern that land prices, which have risen by up to 50 per cent in the southeast during the past 12 months, could slow the pace of future earnings recovery. Public spending cuts, particularly on roads, could also restrict growth in the industry.

Given these concerns, there can be little surprise that building shares, which have outperformed the FT-SE-A All-Share Index by more than a fifth in the past 12 months, have looked more vulnerable in recent weeks.

OBSERVER



'You'd never know he's run a London marathon in a gorilla suit'

just like the rest of the accountancy profession, has been caught cowering a triffe foolishly behind the letter of the law. The 1993 accounts fail to provide a cash flow statement because, as a note explains, the LSCA is defined as a small company, which is exempt from the requirement to comply.

Michael who?

■ The decision to prevent political journalists from enjoying a libation on the Terrace of the House of Commons has thrown an unaccustomed spotlight on Michael Martin. As chairman of the

Commons catering committee, Martin is behind the decree that by the Thames this summer free from the prying eyes of the press. Perhaps fearing an increase in

their bar bills, senior Labour figures were hastily blaming the ill-conceived ban on the Tories. It had obviously eluded them that Martin has represented the Labour constituency of Springburn in Glasgow for the last 15 years. But then the 48-year-old MP's only other claim to fame is that he was once an aide to Denis Healey.

Hopping mad Is France limbering up for

candidacy as a semi-detached member of the European Union? One might be forgiven for thinking so after the French delegation's antics at last week's signing of the Gatt agreement, which made the normally bolshy Brits look like positively model European citizens.

French industry minister Gérard Longuet's first task in Marrakesh was to break ranks with his fellow Europeans by presuming to speak for all 12 countries during private talks with Mickey Kantor, President Clinton's special trade representative. Next. he insisted that EU governments append their names separately, instead of signing and sealing the great document "en bloc" as previously agreed. The final straw was when

Longuet provoked an emergency

EU council meeting, and promptly headed back to Paris. When he finally reappeared, 11 hungry ministers, who had spent an evening without sustenance, marched out en masse.

Hence, by the weekend, the only delegate in Marrakesh with a good word for the French was Sir Leon Brittan, Europe's trade commissioner. No doubt that is down to Brittan's good-humoured patience, and is quite unrelated to his bid for the Commission presidency, for which French support is crucial.

In for a penny ■ Defending the Irish punt

following sterling's exit from the ERM cost the Irish government an estimated I£350m, equivalent to about half its 1993 borrowing requirement, it emerged recently. So it comes as less than a

complete surprise that Maurice Doyle, the Irish central bank president who played a prime role in formulating exchange rate policy during the crisis, will not be running for a second term of office.

Finance minister Bertie Abern, now mulling over a shortlist of candidates to take on the job from the end of this month, had been especially careful to praise Doyle's "great professionalism". But last Friday, introducing a new five pound note, an impish Ahern rounded off his speech by thanking Dovle for his "sterling service to

the bank and to the nation".

dismembering of a state.

....

some risks. Regional development banks

that of sharing prosperity. The development banks cer-

reform in Latin America. ments can now begin to address means of pursuing the perceived social challenges only because of commercial interests of the US.

Beauty's riches

acknowledged - and almost as widely resented - that beauty rarely goes unrewarded. But it has taken the ingenuity of academic economists to put a price on what the world's oldest profession always knew. In a paper for the DS National Bureau of Economic Research, Messra Daniel Hamermesh and Jeff Biddle have found that plain people earn 5 to 10 per cent less than people of average looks, while average lookers earn

Yet those who believe that market forces reflect people's marginal value to society will no doubt say: tough but just. The followers of Friedrich Hayek will, on the other hand, pay a beckhanded compliment to the physiologically disadvantaged by declaring that there is no moral merit or demerit attaching to rewards in the labour market. Yet both these camps, which tend to belong on the intellectual right, should be on their beauty must not pay.

to address unequal income distribution is to tackle inflation which daily widens the gap between rich and poor. As Brazil shows, governments cannot even think about social programmes while suffering four-digit annual inflation.

The risk is that the emphasis on

which play into the hands of those

cation systems. More ominously, the new American emphasis on social ideals has parallels with its stance on labour and environmental standards in trade negotiations. Developing countries may ask what lies behind these arguments. Is the US really worried about conditions of workers in Peru or is it looking to

It is a truth universally guard for a leftish backlash. As long as nobody attempted to quantify the adverse impact of the haphazard distribution of natural endowments, it was possible for us to live with nature's decision to confer fantastic brainpower on Rinstein, exceptional tonsils on Pavarotti and a super superstructure on Marilyn Monroe. But with researchers producing extensive physical and economic data from household surveys, we may shortly confront a powerful new interest group seeking redress for 5 per cent less than those who are physiognomical shortcomings. good looking.
This seems hard on the ugly. ainstream opinion will demand compensation through the tax and benefit system. The left will want subsidies for cosmetic surgery. A

snitable euphemism for ugly nomely? - will be sought. There is, of course, a better way. Average-looking people cannot be expected to pay taxes for those of ill mien. A hypothecated tax should therefore be levied on the beautiful in favour of the ugly. The important thing is that

of Wall Street will surely beckon once again.

Swingers

Meanwhile, senior New York economists already involved in the trendy discipline of emerging markets seem to be about as unpredictable in their movements as the economies they follow, to judge by the welter of recent job changes in the sector.

Larry Brainard, who advised commercial banks during their negotiations with Latin American debtors of the 1980s, is quitting Goldman Sachs for pastures new at Chase Manhattan, where he is to be the bank's first chief emerging markets economist.

One of the most senior Latin American specialists in New York, Jim Nash of J.P. Morgan, is heading for Nomura, to take over its emerging markets effort. Arturo Porzecenski recently left Kidder Peahody to run emerging markets research at ING Bank in New York. And Frank Fernandez has quit Merrill Lynch's research group. As in the markets themselves. do you lose on the roundabouts what you gain on the swings?

Understated

■ Tut tut. The London Society of Chartered Accountants, which presumably holds with greater

FINANCIAL TIMES

Monday April 18 1994

ORR & BOSS International Consultants help you profit from WASTE MINIMISATION Tel: 071-240 2644

A township waiting to explode

Patti Waldmeir joins South African peacekeepers on patrol in Umlazi

Major Julius Lloyd stands in the machine gun turret of an armoured personnel carrier as we tour the dismal shacks and "matchbox" houses which cling precariously to the steep green hillsides of Umlazi township outside Durban.

Imperceptibly, we cross the from an African National Congress neighbourhood where men sit outside drinking and women hanging laundry, to an identical Inkatha Freedom party area, where life goes on in much the same way.

All that changes is the facial ssions: in ANC areas, where Maj Lloyd and his 41st Parachute Brigade troops are welcomed as peacemakers, there is a smile on almost every pair of lips; in Inkatha areas, where the troops are seen as an occupying army of pointed indifference, sometimes

open hostility.
Maj Lloyd reflects on the futility of using South African Defence Force troops to try to solve what is overwhelmingly a political problem in Natal. The "Casspir" armed personnel

night under the state of emergency imposed in South Africa's Natal province in the run-up to the country's first all-racial elections next week.

"We come into a place, always with a big force, and all we do is suppress the violence. But the violence is just waiting for us to leave again. It's all just waiting to pop up again," says the man who commands the "parabats" (short for parachute battalion), a veteran of similar operations in the warring East Rand townships

His troops have succeeded in restoring short-term stability in the two weeks since their deployment under the state of emergency. Public transport has returned after a violence-induced stoppage, and "the children play in the streets again". Indeed, they are out in force as we patrol the township in the brown SADF Casspir, begging for sweets from the soldiers' "rat [ration] packs".

The troops have seized a number of illegal arms at roadblocks and with the aid of tip-offs. But the scale of the problem is vast: Maj Lloyd reckons everybody in

carriers patrol Umlazi day and Umlazi has at least one firearm; Instead, the troops are univerand although nobody really knows how many live in its densely packed 50 square kilometres, most estimates top 200,000.

Maj Lloyd believes both sides simply buried their arms caches when the SADF arrived, and will unearth them once it, inevitably, leaves again. He says the perpetrators are careful to ensure that the areas where arms are stashed are kept free of violence, to avoid attracting the attention of the security forces. Any big operation to unearth caches - whether in the townships or the inkathacontrolled hostel - does not seem

to be on his immediate agenda. The SADF is still able to pick up firearms, mostly homemade. at roadblocks: because homemade arms are easier to conceal (until assembled, they simply look like lengths of pipe), people do not bother to bury them. But factory-made arms are largely

kept out of circulation.

Maj Lloyd recognises that the SADF's popularity might wane if it started raiding ANC arms caches and putting ANC "self-de-fence units" out of action.

sally popular in ANC areas because they are viewed as fairer than the South African Police's Internal Stability Division (riot police) and the police force of the KwaZulu homeland, of which Umlazi forms part. Both are accused of siding with Inkatha, and even participating in Inkatha raids on ANC areas.

With the troops around to prevent possible bias in the security forces, and to discourage fighting, stability can probably be guaranteed around polling time. But South Africa's politicians

regularly ignore the message that troops are no more than a short-term palliative for the problem of Natal. Without the use of huge numbers of troops - beyond the capacity of the SADF to provide - the Natal conflict simply cannot be crushed. Thick bush, irregular terrain, densely packed housing, all make it difficult to pursue suspects whom the com-munity wishes to hide.

Only politicians, not armoured cars, can penetrate this morass; if they do not do so, Umlazi's fragile stability will prove

THE LEX COLUMN

Earning credibility

The not-so-new format for reporting company profits has now had a year to bed in. In general, the system is working well, but the abolition of extraordinary items has had the expected effect of making reported earnings more volatile. Investors still want to get a picture of underlying company performance. Most use the Institute of Investment Management Research standard as a guide. It excludes from earnings those capital items which have no impact on continuing operations, but includes costs which are related to mainstream businesses.

The underlying earnings picture is still less easy to spot, and investors are looking for other ways to track company performance. In part, that is what the reforms were intended to achieve, since investors had come to rely too heavily on a single crude measure. Earnings are a proxy for distributable cash flow, and if the proxy is failing it makes sense to look at cash directly. More estimates of future cash flows are being produced, and there is a good deal of work going into dis-counted cash flow modelling. There is also some attention being paid to dividends, since although they do not provide much information about companies' growth prospects, they do hint at management's confidence about the

Perhaps the most interesting line of attack, however, is in deconstructing analysts' models of company profits to assess where the risks of errors lie. Correctly identifying whether earnings are likely to be higher or lower than consensus forecasts is the kind of deeper analysis that should make institutions money.

Ashanti/Lonrho

The international offer of shares in Ashanti Goldfields, which closes today, should attract strong institutional support. True, the gold price has been in the doldrums after the excitement of last year. A rising tax charge may also take the shine off Ashanti's earnings growth for the next year or two. But Ashanti is a low-cost producer which boasts quality reserves and rising production. So long as investors are willing to take a relaxed view of political risk in Ghana. share price towards the top of the indicated \$17-\$20 range looks likely.

That outcome would be especially bleasing for Lonrho, which will own 43 per cent of the company after flotation. The interest among investors generated by the offer - and the addiShare price relative to the

tional transparency provided by its weighty prospectus - have helped Lourbo's shares outperform the mar-ket since the turn of the year. Assuming a share price for Ashanti of \$20, Lonrho's holding would be worth around £450m - more than its total market capitalisation in the dark days

Source: FT Graphite

If investors now turn their attention to Western Platinum of South Africa, Lonrho's share price may have further to run. Like Ashanti, Lourho's other large mining investment is a low-cost producer with the promise of rising production. As with gold, a rising metals price cannot be relied upon. Political risk will also be a worry until the turmoil surrounding the South African elections has passed. Then it will be up to Lonrho to prove that it can make its assets sweat more effectively

Globex

The Chicago Board of Trade's decision not to participate in the restructured Globex appears to cast a long shadow over the futures trading system. Perversely, however, the withdrawal of the world's biggest futures exchange may yet turn out to be Globex's salvation. The unhappy relation-ship between the system's partners has dogged its development. Reuters will at least be relieved that that uncertainty has been resolved.

There is only likely to be a small loss of terminals as a result of CBoT's move. Despite its size, CBoT accounted for just 5 per cent of Globex's transactions. But CBoT's withdrawal may ease the fears of other exchanges concerning Globex's goverbeing drawn up, other exchanges, such as Liffe and the DTB, may be tempted to sign up to the system -especially if it is able to offer a brand contract. That may be sufficient to give the network critical mass. The experience of Matif has already shown that Globex is a technical success.

The big uncertainty is whether the concept of a round-the-clock, roundthe world futures trading market is a valid one. Even if it succeeds, Giober will take a long time to catch on. The financial impact on Reuters is only likely to prove marginal either way. Reuters has already written off its investment in developing the network. The healthy progress of Instinct and Dealing 2000/2 is likely to mask any further disappointment.

Sweden

Sweden takes a leaf out of the UK's book this week with its first auction of index-linked government bonds. It is tempting to conclude that the fashion is spreading, although previous attempts by Canada and Australia to get index-linked markets going have not met with conspicuous success. Sweden has spent some time preparing its issue, but the suspicion remains that the timing is determined by a combination of the high cost of fixed-rate borrowing and a heavy funding requirement. The budget deficit is more than 11 per cent of GDP; after last year's heavy recourse to overseas markets, the authorities are now focusing more on domestic investors.

Since Swedish inflation is below 2 per cent and the yield on 10-year bonds is more than 8 per cent, the government may consider indexlinked borrowing is attractive. The issue is in some ways a statement of defiance. It can be seen as a signal that the markets are wrong to mistrust the authorities' determination to keep inflation down.

The chances are that the SKr20hn of 20-year paper on offer will find a home among domestic buyers, including institutions seeking to match their longer-term liabilities. Lack of liquidity may deter international buyers even though there is a theoretical trading appeal. Since the Swedish paper will carry no coupon, its value will be particularly geared to changes in real interest rates. And since real yields in Sweden have risen strongly in the recent bond market shake-out, the chances are that they will soon be coming down.

Watanabe challenge fades as coalition parties bury differences

Hata favourite for Japanese premier

By William Dawkins in Tokyo

Leaders of Japan's fractious coalition have reached a draft policy accord intended to pave the way for the selection of a new prime minister early this week. Six of the seven ruling coalition parties aim to finalise the agreement today on foreign and economic policies, and field Mr Tsutomu Hata, the foreign minis-

ter, as the alliance candidate for prime minister in a parliamen-A rival bid for the leadership by Mr Michio Watanabe, a former foreign minister who has announced his defection from the opposition Liberal Democratic

Watanabe, however, hinted yes-terday that he would support the new government.

"There is a definite agreement taking shape and it is natural to ask Mr Hata," said Mr Yuichi Ichikawa, secretary-general of Komeito, the Buddhist-backed Clean Government party, one of the most powerful groups in the

Mr Hata appears assured of a majority because he has the support of all parties in the previous government. That includes the New Harbinger party, which threatened Mr Hata's chances last week by saying that it did not want to participate in the new cabinet.

Agreement on a new govern-

ment would bring an end to 10 days of bitter wrangling provoked by the resignation of prime minister Morihiro Hosokawa over allegations of financial impropriety. The row has accelerated the realignment of Japanese politics. prompting another round of defections from the LDP and deepening a split between the

coalition's right and left wings. The 10-point outline accord would commit the new government promptly to enacting the current year's budget, pushing on with economic deregulation, increasing indirect taxation and holding the next general election under the new electoral system, implying that the next poll is to

On foreign affairs, Japan should follow United Nations policy on North Korea, and take necessary precautions", the draft says, a reference to possible UN sanctions over that country's refusal to allow full inspections of its nuclear sites.

The outline accord has been criticised in the Japanese press for merely papering over the cracks in the government part-ners' policies. The Social Democratic party, the alliance's largest and most quarrelsome partner, continues to oppose a rise in indion North Korea.

> Political profiles, Page 3 Call of the Buddha, Page 10

UBS held suspected drugs money

Continued from Page 1

applied in January for permission to buy her house near

authorities insisted on checking her background and bank references. With the help of US drug enforcement officials, they identified her as the wife of Mr Julio Nasser David, sought as a leading drug trafficker in Colombia.

On February 23, Mrs Arana was arrested by Swiss police and the account frozen. On Friday, charges were filed in Miami against the couple for smuggling more than 55,000 lb of cocaine and 3m lbof marijuana into the US from 1976. Mr Nasser David is still at large, and the US is seeking Mrs Arana's extradition.

The UBS vice-president who opened and handled Mrs Arana's

account has been suspended and is being questioned by Zurich have been very naive.

has launched an inquiry. ich's banking community is how UBS, renowned as the most cautious and meticulous of banks, could have failed for so long to

Arana account. she opened it in 1979 with a \$50m cash deposit. UBS claims it carried out its normal identity checks which showed the family had extensive shipping and hotel interests in Colombia, so there was no reason to suspect any-

police. The Swiss Bankers' Asso-Swiss laws and regulations on ciation due diligence committee money-laundering were tightened in the late 1980s. Analysts were EL MATA NR2" 100-strong internal audit team, did not pay special attention to accounts from places such as Colombia and Sicily with known have spotted trouble in the links to drug smuggling.

FT WEATHER GUIDE

According to the authorities,

thing untoward. "Not every Colombian is a potential money-launderer," says Mr Stephan Haeringer, a UBS director. However, UBS admits

Apparently, not much effort was required. A Zurich prosecu-tor says that even the children in the Nasser Davids' home town of Barranquilla were aware of the alleged drug links. The bank says the account has been virtually inactive for many years, so there was no reason for suspicion.

"The manager's superiors asked questions and got appropri-ate answers," UBS said. "We are now checking to see if we have to change our procedures."

China set for that the account manager must 111.5% growth

Continued from Page 1

domestic investment funds in a tral controls over an unruly financial sector and channel domestic savings towards the purchase of government bonds.

China's official Business Weekly reported that about 50 funds had been established with about Yn4.5bn (\$517m) under their control. Only four had been approved by the central bank.

China is relying on the sale of some Yn115bn of treasury bonds to fund its 1994 domestic deficit which is expected to reach Yn67bn. It also faces heavy debt service obligations.

The freeze on investment funds will not affect foreign-related investment vehicles.



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... where?... where... 13th century market TOWN... 20TH CENTURY NEW TOWN... LIVE/WORK IN HARMONY... 100 SQUARE MILES RICH FARMLAND... AGRICULTURE... ENGINEERING... ELECTRONICS... 70 MILE MAGIC COAST... PERKS MANCHESTER/LIVERPOOL... NEAR LAKES MOORS MOUNTAINS... WHERE?... WEST LANCS... STOP

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WHAT?... READY-TO-WEAR FACTORIES... OR BUILD YOUR OWN... ALL SERVICES... MOTORWAYS AT GATE... GRANTS... FOR SITES... PREMISES... MACHINERY... PLANT... EQUIPMENT... TRAINING... EC AID & SOFT LOANS... FINANCIAL/PROFESSIONAL ADVICE... WHAT?... WEST LANCS... STOP

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FRED McCLENAGHAN, The West Lancs Project, 1 Westgate, Pennylands, Skelmersdale, West Lancashire WN8 8LP Telephone: 0695 50200 Fax: 0695 50112 NAME POSITION

COMPANY ADDRESS

Europe today

The British Isles will be mainly dry, but a small disturbance will bring rain to Scotland and northern Ireland. Much of the continent dry except for Poland and Germany which will have showers. Countries around the stern Mediterranean will be unsettled with falling temperatures and showers. Eastern Europe towards Hungary, Romania and the Ukraine will be much cooler with heavy rain. Turkey will have a very warm day with temperatures above 30C in some areas, but there will be a risk of thunder

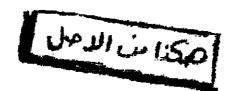
Five-day forecast

A deepening low will bring rain to the British Isles and milder temperatures to the northwest continent. Later in the week rain will move across France and Benelux towards Scandinavia. Spain, Italy and southern France will stay unsettled and rather cool at first, but conditions are expected to improve towards the end of the week. Most of the Mediterranean will remain sunny and

TODAY'S TEMPERATURES



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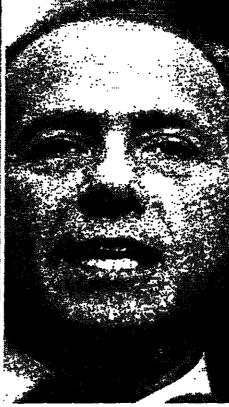


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SECTION II

Weekend April 2/April 4 1994







A prima donna's great performance

or the nation that invented opera, the sudden emergence of Silvio Berlusconi as star of Italian politics seems only natural. As in opera, the staging and music have been all important. The banality of a libretto is masked easily by the magic of a prime donna's great performance. So, in Berlusconi's spectacularly successful election campaign, form triumphed over content, the package over the person, and the image over reality.

Italians like and admire the bellafigure and do not always want to know how it is created. Beriusconi's was a superb performance. One in four of the Ballan electorate world for this self-made man where media empire is the second largest in Europe Now, he looks set to become fixly's next prime minister after less than three months in poli-

Eugenio Scalfari, editor of La Repubblica newspaper and one of Berlusconi's most out-spoken critics, described him this week as "the great seducer". And, indeed, Berlusconi's performance on the political stage has been an extraordinary act of seduction, charming a sizeable segment of the Italian public into turning a blind eye to his political qualifications and the more questionable side of his past. Scalfari concluded that the main reason for Berlusconi's success was his ability to convey the impression of

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flowering in the fast lane

tax wolf

British tennis

Updike's new novel

Arts: Gerald Kaufman on

Shakespeare and anti-Semitism XVII

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المنتقبة

individual can take on the system. No one could have imagined six months ago that Berlusconi, a nonpolitician, would probably be Italy's next leader at the head of a newlyformed political movement, Forza Italia. It was equally improbable to conceive the public embracing a movement with a name culled from a football slogan ("Come on, Italy!"). Berlusconi himself was at a cross-

roads in the middle of last year. His political friends were vanishing off the scene, discredited by the corruption scandals. His profitable nearmonopoly over Italian commercial television looked increasingly vulnerable as politicians across the ideological divide sought to re-draw the map of public and private televi-sion ownership. Berlusconi's Fininvest empire itself was floundering under a burden of debt caused by over-ambitious purchases during the boom of the 1980s.

When he formed Forza Italia last October, he seemed still to be playing the businessman, orchestrating a political challenge through existing politicians. Only at the end of January did he go public with his political ambitions. He declared: "I am telling you that we can... that we must build together for us and our children a new Italian miracle."

Even then, too much seemed stacked against him. He talked of family values, passing over the fact that he had gone through a messy divorce before taking a second wife. "do it yourself politics" - that an He talked of his faith in catholic

morality while his television sta-tions pumped out cheap soap opera culture and a diet of big-bosomed titiliation. He talked of free enterprise, ignoring the protected environment of much of Italian business from which he had benefited. He talked of reducing Italy's huge mountain of debt when his own companies, like the Italian economy, had grown on debt.

Above all, he appeared to have the terminal disadvantage of being associated with the ancien regime the clique of Christian Democrat tract. How, then, was Berlusconi

gained control over three channels. dominating commercial TV and providing access to 45 per cent of the national audience. Nowhere else in Europe is one group permitted such a near monopoly.

Fininvest came under the scrutiny of investigating magistrates in Milan who questioned his close aides over how the television licences were carved up at the end of the 1980s. His younger brother, Paolo, was charged with corruption relating to a waste disposal con-

He worked assiduously to create the image of Berlusconi the winner through Milan's relentless series of victories. He saw the Milan fans as his fans and played to them with his well-staged appearances: land-ing at the stadium in his helicopter and turning up, dressed immacu-lately, for training sessions.

With hindsight, Berlusconi's critics overestimated the damage of being associated with his political godfathers and under-estimated his existing appeal among Italians, especially the young. During the

jobs and declining incomes as the One of his fiercest critics called him "the great seducer." people's main worry. Indeed, Berlusconi did not raise Now, a media tycoon with no previous political experience the corruption issue during the campaign. And there was no impact seems very likely to become Italy's next prime minister. Robert Graham explains how the image triumphed over reality

when his brother, Paolo, was arrested halfway through and itted paying dribes for build contracts to develop a Milan suburb even though Paolo was running the construction company created by Silvio and the bribes went back to the early 1980s when Silvio was very much in charge. Nothing rubbed off on the candidate.

In other words, Berlusconi was

not hurt by being seen as a tradi-

tional politician. On the contrary: in

the one hostile television interview,

he managed to make himself a victim in the eyes of his supporters. He

claimed the interviewer had noth-

ing on which to attack him except

raising old chestnuts such as his

He and his advisers realised, cor-

rectly, that after two years' non-

stop exposure of one corruption

been given an overdose. Corruption

had been replaced by concern over

scandal after another, Italy had

friendship with Craxi.

The same applied to well-publi-cised leaks that Marcello Dell'Utri, Berlusconi's long-standing Sicilian friend and the brains behind his political hid was under investigation for links with the Mafia. Although the information came from a highly respected former magistrate and head of the parliamentary anti-Mafia commission, Berlusconi turned this to his advantage and claimed his enemies were using the state apparatus to run a vendetta against him.

The campaign organisers also discovered that people paid little heed to political polemics on television except for those provided by a handful of chat show hosts. Only these not the politicians - were seen to articulate the problems of ordinary Italians. In his television appearences or at public meetings. Berlusconi avoided speaking from a lectern and adopted the role of a chat show host, wandering across the stage with a microphone.

More importantly, Berlusconi who had once written a thesis on marketing, and made his fortune out of understanding the advertising market - realised the value of targeting his audience with the right message. His researchers disexcluded by Italy's long-ruling political establishment. This led to the formation of Forza Italia clubs, allowing the public to take part in the political debate in the same way that a football fan can follow his team through a supporter's club.

In less than four months, more than 13,000 clubs were formed nation-wide, organised through Fininvest. Here, the human and financial resources of Fininyest's advertising arm, Publitalia, and the empire's Standa stores chain were invaluable

The message and the manner in

■ Continued on page VII

Berlusconi enjoyed a very public friendship with Craxi; this helped in 1990 to seal the unusual structure of

group grew on the back of political protection provided in Milan by the Socialist party and its leader, Bettino Craxi. He had also joined the P2 secret masonic lodge of Licio Gelli, who had been linked with many of the obscure episodes of the past - such as the collapse of the Banco Ambrosiano.

and Socialist politicians who had

presided over a politico-economic

system that had become riddled

with corruption. His Fininvest

television ownership in Italy. He

and acceptable? For a start, he was a household name as "Mr TV". He was also

able to present himself as both new

responsible for one of the most easily identifiable success stories in Italy. In 1986, he bought the ailing AC Milan football club and, with a series of expensive player transfers, turned it into a cup-winning machine. "If one looks back now. the building up of the Milan team, with its high-profile international sign-ons, was the beginning of the construction of Berlusconi's political ego," says one of his former

1980s, frequent polls among them showed Berlusconi was their favoured role model. Significantly, he picked up a high portion of the young vote in this week's general "He is a household name - people

identify with him easily," said Roberto Lasanga, his election campaign manager when it began. "He's new simply because he was not a politician and never pretended to be. He doesn't talk down to people like a politician. Instead, he takes people into his confidence: he talks as someone who wants to put things right by entering politics."

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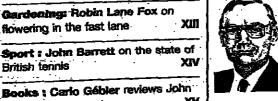
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The Long View/Barry Riley

Some hard facts of life



Good advice is the most valuable commodity in investment. But the life assurance industry has insisted that it should cost nothing. That, fundamentally, is why the life offices have got themselves into the most dreadful public

This week, one of the biggest and most highly-regarded mutuals, Norwich Union, was forced to suspend its 800strong sales force pending retraining to levels thought satisfactory by Lautro, the life assurance marketing regulator. But it is only the latest in a string of top companies, including Legal & General and Scottish Widows, to face disci-

plinary action. The industry is in the dock over the mis-selling of personal pension plans to people who would have been better advised to stay in occupational pension schemes or the state scheme, Serps. Unfortunately, it is often true that

exceptional growth in any industry leads to over expansion and a collapse in standards. Success breeds complacency and, ultimately, arrogance. By any reckoning the life assurance industry has been remarkably successful at

collecting savings.

At the end of last year life companies held assets of more than £400bn, up fourfold compared with 10 years earlier, They are selling 8m new policies a year in the UK and collecting £35bn in premiums from individuals. Meanwhile they are paying out £30bn annually in

Historically the life industry received two main political favours for encouraging thrifty habits among the population. There was a tax incentive of about half the standard rate of income tax, called life assurance premium relief, and there was exemption from the investor protection laws introduced in the 1930s. Life company representatives could continue to sell door-to-door and they were not required to disclose pol-

icy costs and charges. Nigel Lawson abolished LAPR almost

exactly 10 years ago but life business surged on regardless, only partly because new tax reliefs were extended to personal pensions.

The ability to conceal commissions and other selling costs was probably more important than the tax breaks and, since the mid-1980s, the industry has resisted efforts to introduce so-called "hard" disclosure. Various forms of soft disclosure have been con-ceded. But this month the regulators will unveil a formula for disclosure in cash terms at the point of sale, to be

introduced at the beginning of 1995.

The ability of life companies to secure regular savings contracts has been crucial. They aim to persuade customers to sign up for periods, usually, of between 10 and 25 years. This is good business for the companies, ensuring their com-mercial stability and enabling them to implement long-term investment strategies. Such contracts are also arguably good for the customers, not just ecause the discipline of a monthly instalment will cause them to save more than they might otherwise do, but also because regular savings will effectively smooth out the investment risks.

mall investors tend to do badly out of non-contractual savings because they move out of building society deposits into stock market-related vehicles at the wrong time of the cycle - producing, for instance, huge peaks in unit trust purchases in years such as 1987 and 1993, but low figures in years such as 1990

when shares were cheap. However, people do not readily sign 25-year contracts. They have to be persuaded, usually by salesmen on a one-to-one basis, during visits to homes and offices. This is extraordinarily expensive (think of how much a plumber, say, charges to make a call) especially if the salesman is an expert in financial planning, which sadly few are - not at Norwich Union, certainly. A typical salesman only sells one or two contracts a week, and looks for a commission of hundreds of pounds on

At one time commissions were restrained by an industry cartel but this was abolished and payments in the past few years have jumped. It has therefore become even more important to disguise the selling costs. Advice, Mr Prospect is told, is "free". However, the expenses are deducted from his instalments over the first year or two, in what is called front-end loading.

These marketing techniques have been very successful in generating business for the life companies. But they are now boomeranging. This is because the intermediaries have a huge incentive to sell contracts regardless of whether they benefit the customer.

Life companies are now agonising over how to overcome the effects of hard disclosure. It is likely that they will attempt to obscure the costs of commissions by spreading them over long periods. But that will not go down at all well with salesmen.

A probable consequence will be a further sharp decline in the proportion of long-term regular savings contracts being sold. Already there has been a big swing towards single premium prod-

The life companies will argue that the total savings ratio will suffer from these changes, but it will also be true that savers will be less vulnerable to the crippling costs of terminating contracts which they should never have

A structural shift in the UK's investment markets can be expected however. Already flows into occupational pension schemes have tumbled because those schemes are becoming more mature. Now the business of the life offices is becoming more short-term in nature, and they may lose customers to other kinds of institution such as unit trusts. The securities markets could therefore tend to become rather more volatile as the stabilising influence of the very long-term funds becomes less apparent.

Of course, if private investors are given good advice they may avoid the pitfalls of panic buying and panic selling. But they will not receive that



The crucificion: resurrection and rebirth is discussed by JDF Jones and Jules

London Psychology gains the upper hand

Roderick Oram

f you want a nice, restful weekend, please turn the page. Still here? Steel yourself for the chart on the right and some of the analysts' comments that follow.

Equities took an unnerving turn for the worse this week in London and New York. Thus far in the markets' eight-week fall, most analysts had resorted to rational explanations: key conditions, notably US mone tary policy, had changed; the markets would quickly accommodate and stabilise at lower levels, they argued.

But psychology has now taken the upper hand, squelching fundamentals. Falling share prices seem to have gained an ominous momentum of their own. The rumblines are louder on Wall Street than in the City but the UK markets are still taking their lead from

The FT-SE 100 index racked up a net loss of 42.6 points on the week closing at 3.086.4. It has now given up its entire 440-point gain since last

FT-SE 100 Index

British Aerospac

Croda Internations

Great Universal

Southern Radio

Haramerson

Inchespe

Kingfisher

Rediand

FT-SE Mid 250 Index

Price Thurs.

3086.6

3752.9

359

675

600

607

349

539

118

November's budget. Gilt prices, however, drawing some comfort from a successful auction of floating rate bonds, edged a little higher. This is prime time for pun-

dits. Nick Knight, Nomura's London strategist, said the FT-SE 100 was heading for 2,800. Robin Aspinall. of Panmure Gordon, had been forecasting that level since last er. "It seemed a phenomenal distance away only a few weeks ago. Now it

On Wall Street, Ms Elaine Garzarelli, Lehman Brothers' influential conities analyst. said the Dow Jones industrial average was only halfway through a 15 per cent correction. Wall Street prices duly tumbled.

"Investors go through three phases in a stock market decline: complacency, concern and capitulation. We have just entered concern. Capitulation is ahead," said Byron Wein, a leading US analyst with Mor-Retail investors in particular

HIGHLIGHTS OF THE WEEK

Low

2878.3

2737.6 Political concerns

399 Sate cut hones

475 Poor results

Results

496

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334 Share buy-back hopes

233 Weak properties/£143m dee

Offer from Capital Radio

Profit-taldno

Forces foreign share tak

Bid for Southern Radio

OPEC agreement hits oil price

Brokers positive after weekness

High

3520.3

4152.8

584

439

384

725%

801

659

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637

783

640

118

-42.6

-22.3

-22

-18

-14

49

-25

+23

-15

-37

+27

-11

+22

are vulnerable to losing their nerve. On both sides of the Atlantic, they had swarmed into equities as interest rates fell. Now rates are rising and equities falling, some will be tempted to preserve slender gains, or forestall further

osses, by selling shares.

to peek = 190).

Stock market corrections: is history a guide?

Stability has to be achieved at some point, but how far down is the bottom of the market? The accompanying chart shows what happened to the FT-A index of European stocks in the corrections 1987, 1990 and so far this year. Mark Howdle, chief European strateist at J.P. Morgan, does not believe the drop will be anywhere near as steep as 1987 when a financial bubble burst, or even 1990 when the Gulf War unseated markets. But he thinks the current bottom could be another 5 to 10 percentage points below here.

Those analysts trying to hang on to fundamentals point, for example, to the 4 per cent historic dividend yield which the Footsie will offer if it falls The pattern is instructive. to 2.900. But even so, they admit, a change in psychology would also be needed before enthusiastic equity buying

"It's been a horrible quarter." said Mark Tinker, an equity strategist at James Capel. What equities need is a firm gilts market to stabilise

About a month into a down-

turn, stock markets usually

manage a feeble rebound, then

continue to fall for another

month or two. After that, they

bump along for many more

months trying to build a firm

enough psychological and fun-damentals base from which to

Aspinall, one of City's most

irascible bears, agrees with the

pattern but believes the bottom

will be even lower. He has long

advocated that the run up in

stocks last year was liquidity

driven. Now that the "cascade

of cash" is dwindling, stocks

have a long way to retreat.

Valuations are are still too

high in my view of the world.

Low inflation and low growth

are not good news for equi-

This support could materialise in the coming weeks when institutional investors begin to implement their second quarter strategies. Pension funds, for example, are likely to find attractive gilts' near 8 per cent yield. "If gilts can provide a prop, the equity market can go back to concentrating on fundamentals and its own dynam-

The most dramatic turn of the week within equities came

in the property sector. After several months during which the sector traded at a very unusual premium to net asset

values, it reversed to its more

normal discount. A number of property flots tions were caught in the shift of sentiment. Capital Shopping Centres, priced at a 13 per cent premium when the sector was at a 20 per cent premium, bad a rough first day of trading. Its shares closed 22p below their offer price of 230p. Similarly the Rugby Estates

well below its initial targe The glut of property floats will cause some of the more opportunistic ones to abandon their market plans or at least sharply scale back their pric-

float was priced on Thursday

On the takeover front, GKN upped its offer for Westland from 290p to 335p and promptly bought control in the market. From the start of the battle, it had seemed only a matter of sweetening the bid a little since GKN started with a 45 per cent stake in the helicopter

The best quarter-end news though, came from the stockpickers. Forget the markets, chose the companies, they argue. In fact, 23 of the 100 stocks in the Footsie ended the quarter ahead. Leaders were Arjo Wiggins up 19.3 per cent. British Aerospace 18.2 per cent, Ladbrokes 16.6 per cent and Reuters 11.1 per cent.

For those who even got the stock-picking wrong, Kingfisher was the worst performer down 26.5 per cent, National Westminster Bank was off 24.7 per cent, HSBC Holdings 23.2 per cent and Guardian Royal Exchange 22.5 per cent.

Serious Money

Proof of truth in an old wives' tale

Gillian O'Connor, personal finance editor

eringing at their new tax burden. April is the best month of the year for buying shares. It is a particularly good month for oil shares. But you ought to be thinking of ditching your cyclicals over the next couple of months. And then, in June or July, you can start nibbling at mer shares again.

There is just one little catch before you pull out your wallet. These exhortations are based on typical stock market behaviour since the second world war. But these trends do not always hold true, and this year could always be one of those exceptions that prove the rule. Certainly, February and March have been atypically bad for shares.

You have been warned. Now, hack to the seasonal theory. The best known popular tag about the stock market is probably "Sell in May, and go away". Sophisticates scoff at such old wives' tales. But Nick Glydon of Credit Lyonnais Laing, who has spent years researching post-war investment trends, has produced what looks like solid proof that this particular tale has more

than a kernel of truth. The basic seasonal pattern is remarkably similar regardless of the period chosen: 48 years, 20 years or just the past 10. Share prices start the year strongly, top out in May, either fall or mark time during the summer, and pick up strongly again in November/December. The new year surge has been even more pronounced recently, with even flatter summer doldrums and a sharper pick-up at the end of the year. What makes the tenacity of the seasonal pattern all the odder is that the fundamental explanation for it has ceased to exist. Once, it could be ration-

alised by looking at a farming

calendar. After the harvest,

farmers were rich and flooded

the cities with cash, so interest

In summer, they needed to borrow until they could harvest their crops and sell their antmals, so interest rates rose and stock prices fell.

None of that remains relevant. What is more, the seasonal effect appears to manifest itself in most of the other major world stock markets: Wall Street, Tokyo, Frankfurt and Paris.

There are slight variations. The US, for instance, tops out slightly later than Britain, but only by a few weeks. The only relatively sizeable markets that break the mould are New Zealand, which is a bit freakish, and Mexico, which currently stays strong in all sea-

So, should you rush out and fill your boots with oil shares? Only if you have other reasons for doing so. Even the men who research these seasonal investment trends caution investors against following them blindly. They are an additional prop for investment decision-making, not a self contained investment system.

From old wives' tales to the spicy modern world of derivatives. Financial adviser Hargreaves Lansdowne is launching its first unit trust. Not one to skulk in the shallow end. it is starting its new incarnation as a unit trust manager with a warrant fund. The firm's 30year-old investment director. Michael Scott, reckons he knows more about warrants

than most people. Warrants give you the right to buy a security at a particular price over a certain period. The warrant is, intrinsically, parasitic: it has value only if it enables you to buy the security at less than its market price. If the market price of the underlying security rises, the market price of the warrant rises even more steeply. If it falls, the

warrant falls faster. And if you

rates fell and stock prices rose. fail to use your right to buy before the end of the warrant's life, it expires valueless. In the right conditions, you

can make a lot of money from warrants if you get it right and vice-versa. Until the market fell back earlier this year, the climate had been ideal for warrants: almost anyone who owned them made money just by sitting tight as a rising market made them steadily more

The climate could well be less propitious over the next few years. If you want to make money in a static or falling market, you need to trade actively and catch companies on the turn. This is a challenging but essentially risky game. Is this a good time to be buy ing units in such an unusually speculative trust from a novice unit trust management group It is impossible to give a defini tive answer yet. But it is possible to state categorically that the only investors who should even consider such a fund are those rich enough to be able to afford to write off most of this investment if it comes to the

YOUR TAX C

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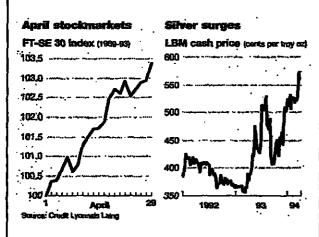
COMPLETE NATIO

fer De M

The promotional literature describes the fund as being "only for the adventurous Unfortunately that kind of "warning" often tempts precisely the kind of investor it should deter.

Another tax regime, another tax trap. Most systems for collecting tax seem to penalise certain types of taxpayer almost accidentally. Our tax checklist on page III is drawn, deliberately, with a very broad brush. But it is still possible to see something nasty happening to people who get the married couple's allowance and have incomes between £27,145 and £28.865. The increase in the tax bill rises almost vertically at that point. Another, lesser, jump blights people earning between £21,840 and £22,360.

AT A GLANCE



A mad March for equity investors

Will April run true to form? Normally it is the best month of the year for investors in the UK equity market, although it is usually bad for financial shares. March this year was a pretty awful month for equity investors, with share prices 6.5 per cent lower on the FT-SE-A All-Share index, though only 4.6 per cent lower

Speculators' silver lining

The silver price has been heading for the skies as speculators pile into the market. This week the bullion price topped \$560 an ounce, compared with a low of \$490 earlier in the year. Some trackers say that the big speculators are hoping to push the price

Insurer retrains agents

Norwich Union, one of the UK's leading insurers, this week suspended 800 agents, including its entire life and pensions direct sales force for a month, for retraining. The move was prompted by Lautro, the life insurance industry's self-regulatory

Compensation hope

Former clients of three Fimbra-regulated investment firms may now be eligible for compensation under the investors Compensation Scheme (ICS). If you were a customer of Beaver & Partners, of Corby,

Northants; ADC Group, of Westbury on Trym, Bristol; or Finlow Clarke & Company, of Sandbach, Cheshire, and believe you may have lost money as a result of their advice, you should contact the ICS on 071-628-8820. Not all former clients will ne be entitled to compensation.

Employee share trust move

New Finance Bill clauses accepted this week by the government will make it easier for companies to establish and operate employee share ownership trusts (ESOTs). It will no longer be necessary for the majority of the trustees to be employee representatives, and the maximum period for which shares can be retained in the trust is being increased from seven

vears to 20. ESOTs have until now been shunned by all but a handful of companies and these changes are designed to boost the take-up

Smaller companies gloom

Smaller company shares continued their decline last week. The Hoare Govett Smaller Companies Index (capital gains version) slipped 1.8 per cent to 1738.49 over the six days to Wednesday

Wall Street

Whatever you do, don't say b**r in public

sked on national news on Wednesday what was wrong with the stock market, the investment analyst smirked at the camera and said: "It's a four-letter word that begins with a "b" and ends with an "r", and we're not allowed to say it in pub-

Wall Street may not want to talk about it, but traders and investors are having to confront the possibility that the stock market is in serious As of midday on Thursday,

the Dow Jones industrial average had fallen almost 300 points, or 7.5 per cent, since the Federal Reserve raised short-term interest rates for the second time on March 22. Over the same period, the broader Standard & Poor's 500 index had dropped 27 points.

By midday Thursday, the Dow was trading more than 10 per cent below its all-time high of 3,978.36, which was achieved only as recently as January 31.

The most recent declines have come against the background of a disturbing deterio-

🔻 or Caradon, 1993

change. During the 12 months, it sold a business

building products activity.

a £334m rights issue and,

its name. In spite of all this

activity, underlying profits

earnings per share, excluding

exceptionals, were unchanged.

changes it made last year. The

in CarnaudMetalbox had been

sale of its 25.3 per cent stake

on the cards for some time -

company was formed by the

packaging operations with

before MB merged with

That was in 1989, shortly

Caradon to form MB-Caradon

which has now reverted to the

But CarnaudMetalbox had

indeed, almost since the

merger of MB Group's

Carnaud of France

Caradon name.

were 5 per cent up and

It is hard to fault the

handling of the strategic

Caradon management's

At the same time, it held

which in 1992 had contributed

undoubtedly was a

year of remarkable

an indefinable, incalculable, but extremely important lient in the market mix. While there have been plenty of diversions to unsettle investors lately – new revelations in the Whitewater affair

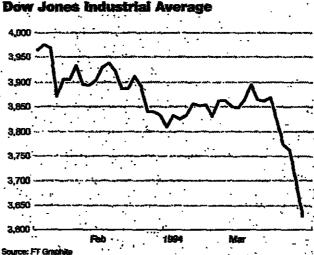
ration in investor sentiment

and fresh political unrest in Mexico, Korea, the Middle Rast and South Africa - no one piece of news has prompted the big sell-off. Some fingers have pointed to

the Fed's monetary policytightening 10 days ago, but a quarter-point increase in short-term interest rates to the still low level of 3.5 per cent hardly warranted the big decline in share prices seen since the Fed's move. The fact that the heavy sell-

ing cannot be blamed on a single news event worries analysts, because the gloom that has descended on investors lately is the sort that cannot easily be lifted.

Moreover, the downward spiral in prices is not easily halted. The further prices fall, the more depressed investors become, and the more likely they are to decide to sell stocks so they can put their funds into the relative safety



of cash instruments.

Two big Wall Street brokerage houses, Smith Barney Shearson and Dean Witter Reynolds, recommended doing inst that this week, when they advised clients to lower stock holdings in their portfolios to 50 per cent and raise their Ultimately, if there is a sin-

cash holdings accordingly. gle factor behind the sharp lines and weakening senti-

ment it is increasing long-term interest rates. Since hitting a low of just under 5.8 per cent last October, long-term rates, measured by the yield on the benchmark 30-year govern-

per cent. That surge in rates has been driven by growing concern about inflation among bond investors, who believe that although inflation remains

ment bond, have risen to 7.15

low now, the acceleration in economic activity seen since the latter half of last year will oush inflation to much higher levels before 1994 ends. Whether these fears are jus-

tified or not (and a strong case can be made that, because of productivity improvements and a global disinflationary trend, the US inflation rate. currently at 3 per cent, will remain low over the long-term in spite of the strengthening economy), the impact of rising interest rates on investor sentiment has been profound. The impressive gains in

stock prices between 1990 and 1993 were primarily caused by falling interest rates, which persuaded millions of individual investors to take their ey out of short-term cash assets, such as certificates of deposit and money market assets, and put it into equities. Share prices, on an upward path throughout that period, only served to encourage further the flow of funds into the

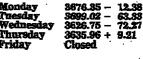
stock market. Now that interest rates are rising, and share prices are falling, individual investors are starting to think twice about whether the stock market is the best place for their money. Yet, the latest fleures show that while the flow of money into stock mutual funds is slowing from last year's high levels, more money is still going into the stock market via funds than is leav-

ing.
This suggests that investors, while rattled by the rise in interest rates, are still keeping faith with the stock market. How long that faith holds, is the big question. So where does the market go

from here? No one, of course, really knows, but there are essentially three views.

Rither, stocks are nearing the end of a 10 per cent "correction". Or, they are in the middle of a 15 per cent "cor-rection". Or (and this is the bit that Wall Street does not want to think about), share prices are at the start of a long-term b**r market.

Patrick Harverson



The Bottom Line

Now Caradon must deliver

30 per cent of pre-tax profits. and bought another which will double the turnover of its core its problems, and Caradon had to play a waiting game to secure the best price it could for its stake. Its chance finally came in spring last year and it sold the stake in April for almost as a sideline, changed a net £467.5m, giving a profit

of £100.3m. By then, though, interest rates had fallen. This meant two things: that the returns on the cash would not match the profits Caradon was getting from its packaging investment, and that prices of building product groups were rising, almost out of

So Caradon did well to strike a deal with RTZ to buy the Pillar businesses (for £808.7m) against opposition from other interested parties. The deal was announced in August, with the rights issue, and was completed in October, leaving the balance sheet with gearing of only 8 per cent.

Caradon Share price relative to the FT-SE-A All-Share Index 1996

At the halfway stage, the diluting effect of selling the CarnaudMetalbox stake could be seen in a 5.3 per cent fall in earnings per share. But by the full year, with the benefit of only two months' trading from Pillar, this had been made up to leave earnings

unchanged at 15.2p a share.

That said, however, it could turn out that doing the strategic deals was the easy part. The Pillar acquisition takes Caradon into new areas, notably building products in North America, and its scale leaves little room for error.

Caradon undoubtedly has bought itself a great opportunity. The Pillar business, although not neglected, did not do as well as it might have within RTZ

where the focus is on mining. Pillar's margins are lower than Caredon's, giving potential for improvements, and it brings market leadership in segments where Caradon has not operated previously.

So far, the city has been willing to take Caradon's ability to turn that potential mic profits on trust. But, from here on, Caradon must start to deliver.

What worried analysts about this week's results was evidence suggesting a poorer performance in Caradon's UK building products than had been achieved by its best competitors. If Caradon was not doing well in the business

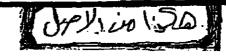
it knew best, they asked, how was it going to sort out Pillar? The Caradon management admits readily that, with so much going on at the corporate strategic level last year, it might well have taken its eye off the ball in the basic

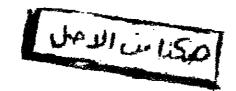
UK building product volumes rose 9 per cent, as the market began to recover from recession, but prices fell 1 per cent, leaving turnover up 8 per cent.

Operating profits barely were changed at £35.4m (£35.2m), although much of the lack of growth could be put down to problems in bathrooms where the troubles at Spring Ram led to pricing pressures. Nevertheless forecasts are still for a large rise in present-year profits. to £200m or more from 1993's £132.2m excluding exceptionals.

Chief executive Peter Jansen will not be drawn to make forecasts, but agrees that "it" would go very hard with us" if earnings per share were not enhanced by the Pillar deal."

Maggie Urry





FINANCE AND THE FAMILY

in How the ale tax wolf will claw your door

From next week, many taxpayers will face hefty new bills. Here, we look at who pays - and how much

Next week, higher taxes are going to hit almost everyone. reading from the graph and fill in the relevant line in your Our ready reckoner helps you to work out your situation. Each graph allows you to calculate roughly how much more tax you will pay each month on one key item of

personal tax checklist at the bottom. Then, add up all the tax increases and deduct (if you are lucky) any savings. The result should give you a fair idea of how much richer

income or spending. Get a or poorer you will be.

Once you have calculated all the relevant items from the graphs, working out the total increase in your monthly bill is easy. Take, for example, a single person of 35 earning £40,000 a year, with a £60,000 mortgage at 8 per cent, a newish company Audi and a fuel bill of £800 a year. Each month, he pays £17.67 more income tax, £10 more in mortgage interest, £28.90 more in car benefit, and £5.33 more in fuel tax. That is a total of £61.90 extra a month.

YOUR TAX CHECKLIST

How much poorer will you be?	£ per month
How much extra income tax will you pay?	(+/-)
How much more will your mortgage cost?	. (+)
How much more will you pay for fuel?	(+)
If you have a company car, will you pay more/less? Add if you pay more, deduct if you pay less	(+/-)
Do you draw a state pension? If so, deduct the monthly rise	(-)
Your total extra tax bill _	

Now, pour yourself a stiff drink Our thanks for advice on tax to Touche Ross, W.F. Corroon who do not get the married person's allowance, and all of whose income is earned. Pick the bottom scale of the chart. Then, check the approximate increase in your tax bill by reference to the side scale. until that gets to \$22,360; then, at £17.67 a month.

BUT if you have no earned

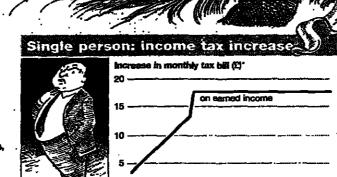
income or are over 65, you

each month. .

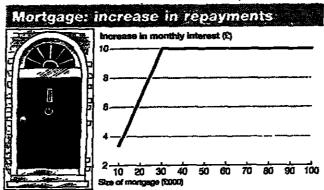
actually pay \$2.08 LESS tax

This chart applies only to people who get the full married person's allowance. The top line shows the tax increase if all your income is earned; the er one shows the effect if it is all uneamed. The increase in tax rises with your income until that gets to £28,885; then, the increase remains constant Everyone earning over £26,865 pays an additional £46,33 a month. For those with uneamed incomes of £28,865 or more, the increase levels off at £26.58 a month,

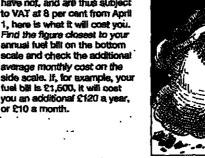
· This chart is relevant only for people whose payments benefit from mortgage interest relief. We have assumed an interes rate of 8 per cent. Tax relief continues to apply on mortgage loans of up to £30,000, but the rate at which it applies is being reduced from 25 to 20 per cent. Find the mortgage size nearest to your own on the bottom scale and read off the extra monthly interest cost. If, for example, you have a mortgage of 250,000, it will cost you an extra £120 a year, or £10 a



Married person: income tax increase

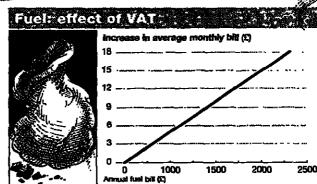


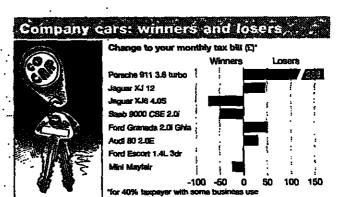
bills, ignore this chart. If you we not, and are thus subject to VAT at 8 per cent from April , here is what it will cost you. Find the figure closest to your annual fuel bill on the bottom scale and check the additions average monthly cost on the side scale. If, for example, your fuel bill is £1,500, it will cost you an additional £120 a year



Only people with company cars need consider this chart. Essentially, it is a tucky dip. The change in the tax basis means some people will pay more some less. The old system was based on engine ze; the new one on list price So, it no longer pays to go for a top of the range model. No Remember that if your car tax is less than last year, you need to deduct it from your other tax increases to work out your total extra tax.

Everyone getting the state pension - which means most men over 65 and women over 60 - benefits. Single people al get another £6.50 a month. A married couple gets another 29.96 a month. A married couple on income support gets £17,55 more. But do remembe that, if all the other items in your check list are tax increases, you need to deduct the rise in pension to work out your total extra monthly tax bill.







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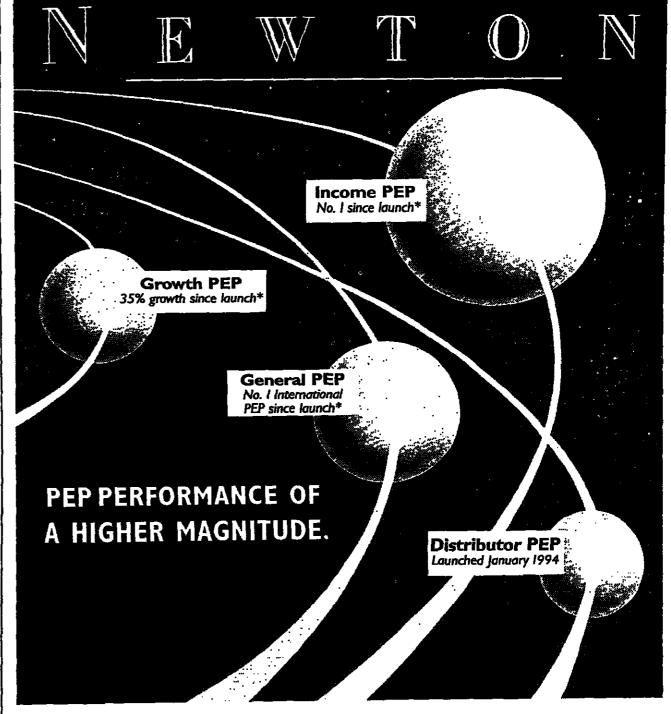
"Source: Micropal effer to bid, not income reinvested since faunch [T.i.4.88], and 1.3.89 to 1.3.94,
It that the value of units and income from them may fall as well as rise (this may partly be the result of exchange rate fluctuations),
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DIRECTORS' SHARE TRANSACTIONS IN THEIR OWN COMPANIES (LISTED & USM) Value directors Sector Shares SALES 78,034 . BCon .OthF Ciondalkin Group 80,000 10,000 Eldridge Pope & Co. Fakway Group 60,000 6,000 2,843 29,000 49,422 6,000 For & Col. Enterp. Hall Engineering ... Haynes Publishing ...Eng Mdia Motor World Group 261,747 57,862 Osprey Communs. 297 059 56,800 9,000 Tops Estat **BCon** PURCHASES Affled Leisure Edinburgh Oll&Gas Oil 5.000

Value expressed in 2000s. This list contains all tro options (*) if 100% subsequently sold, with a value the Stock Exchange 21-25 March 1994. Source: Directus Ltd, The Inside Track, Edinburgh

13,000 9,816 145,000

Directors' transactions

Buyer for M&S

As expected, the fall in the market has made it more attractive, and the number of buys by directors recorded over the week is higher that It has been for a while.

□ Marks and Spencer is such a high quality stock that it forms a part of every portfolio. But the directors of M&S most frequently appear on our listing when they exercise options and sell the equent ordinaries. It is, therefore, interesting to note one director, Donald Trangmar, make such a sizeable purchase - 145,000 shares at 415p.

Electrical was made by Arnold Denman, its chairman and

chief executive. While he raised some £460,000 with the deal, the transaction represents a very small proportion of his total holding of more than 2.2m shares.

 \square The sale in Osprey Communications also leaves that director with the body of his holding intact, with imost 2m shares.

On March 19, we said that a director of Castings plc had sold 8,000 shares worth a total of £20.000. This was incorrect: the director exercised options over 8,000 shares but sold only

Vivien MacDonald The Inside Track

ADVERTISEMENT

The pig-headed way to lose your money

Why do people hold on to failing investments, asks Helga Drummond

magine buying £1,000 worth of shares on a Monday and discovering on the Friday they are worth only £600. Do you hold them or sell and move on? Unless there is real hope of recovery, the wisest decision is to cut your losses. Yet, many people prefer to continue with a failing investment, sometimes eventually losing everything as a result. What causes such irrational behaviour?

Such irrational persistence is known as escalation and a prime cause is believed to be an investor's emotional attachment to his initial outlay. Instead of accepting the situation for what it has become, his attention is fixed upon restoring the initial £1,000.

More than money could be at stake, though. Few people care to look foolish in the eyes of others, including their own stockbrokers and accountants. They will go to extraordinary lengths to avoid admitting failure by seeking out information which seems to support their ignoring anything that contradicts these.

The most minuscule sign of improvement is interpreted as sure evidence of certain recovery. Further price falls are dismissed as temporary setbacks. Even when recovery never comes, people may in extreme cases even make further commitments to a failing investment in order to maintain

Even if investors pay proper attention to financial reports and statistics, there is still the risk of a misjudgment. While decisions based upon thorough research tend to be more reliable than those based on inspired guesses and wishful thinking, copious intelligence can lead investors seriously

Quantity increases self-confidence while, simultaneously, impairing judgment - a dangerous combination. The more information inves-

your shakes are DROPPING LIKE A STONE WHAT MAKES YOU THINK THEY'LL GO BACK UP? CONDITIONING

faith in their own judgment. Yet, since human capacity to digest and analyse data is extremely limited, even with the aid of sophisticated computers, significant pointers may be overlooked in the sheer mass of reports, commentaries and analyses.

Irrational persistence may be aggravated if loss is accompanied by strong feelings of disap-pointment. This tends to be most acute where the investor's initial expectations were high. Advertisements create high hopes deliberately by promising "pure growth" and the rewards of the stock martors have, the greater their ket with none of the risks.

only alluring in themselves ~ their more subtle effect is to distract investors' attention from hard statistical data which might qualify the prospects trumpeted.

The most hazardous advertisements are not the banner proclamations, however, but the soberly-presented textual statements. For instance: "Investment for high rewards can never be risk-free and some of our recommendations don't work out...The impact of ... disasters can be mitigated by operating a 20 per cent stop loss rule. We have found from long experience that when a share price drops by 20 per cent after we have profiled the company, they are hest sold... If losses are con-fined to around 20 per cent while profits are unlimited, the odds on overall success are

greatly improved. The effect of such a relais to make the reader feel sophisticated. Note how an atmosphere of candour is created by the admission that some investments fail. The aim of such a disarming statement is gain the reader's confidence.

The next step is to imbue the prospective investor with a sense of control via the "stop loss rule". Note this facility is not expressed as a "stop loss option", (which, basically, is what it is) but a "rule". The very word heightens the investor's feelings of power and ability to command.

The advertisement then emphasises the company's expertise in order to present a in decision-making.

Such propositions are not possible 20 per cent loss as eminently reasonable and manageable while, simultaneously. dangling the possibility of glittering returns

instead of making a crude appeal to greed, however, the whole thing is couched in professional-sounding and euphemistic language such as "unlimited profits" and "overall success"

The financial services industry is replete with people claiming expertise. Expert power succeeds because the investor believes the adviser is acting in his interests.

So potent is this power that a person will believe an "expert" despite being almost certain he is wrong. Professed expertise, therefore, can lead an investor seriously astray. Besides, even financial advisers of impeccable integrity are susceptible to escalation. So, seek advice by all means - but maintain vigilance and let your own judg-

Feelings of potency can be created easily by the unscrupulous. The signs of manipulation are easy to detect they include flattering the investor's judgment and decisiveness and emphasising previous successes. The problem is that since such observations are highly flattering, they stand a good chance of being believed. Pride does indeed come before

■ Helga Drummond, who lectures at the University of Liverpool's Institute of Public Administration and Management, is researching escalation

	RE	SULT	S DU	E		
			_		Dividend (:	*
Company		Anc	commit	Las	at year	This year
	Secto		iue	int.	Pinal	int.
FEIAL DIVIDENDS					_	
Alexandra Workwaar .	Tast	Thurs	dev	1.8	2.0	21
Amec		Thurs	schoy	20	1.0	1,5
	Dist	Thurs		4.5	8.5	4.5
Chapston Recocure City Contre Restauran		Frida	y nesday	0.45	1.0 1.12	D.45
Clorice Michalls & Coo	mbs Proc	Tues		۷۰		2.40
Friendly Hotels			needay	2.2	3.5	22
Batet (Frank ©)	Dist	Tues Thurs			2.25 0.3	- :
Goldsmiths	Diet	Thus		1.0	1.0	1.0
learden Stuart	8&C	Thus	clay	0.87	2.36	0.9
lone Counter News	Separs, Med	Tues	day	2.75	3 <i>2</i> 5	20
ntemationel Business MVESCO		Tues	oay shee	1.0	20	1.0
righ Life	ع <i>ائل ہے۔۔۔</i>	Wedt	readay	•30	بت -	
 أنف	EngV	Frida		6.3	-	4.2
ikidiotex		Thurs Frida		•	-	•
Twen & Robinson		Thur:		-		:
912ards	Text	Wedr	resciey	0.5	1.5	:
<u> </u>	Med	Tues	day	-	-	•
Regal Hotel		Thurs Tuest		-	-	0.25
Sentry Farming	FdMa	Thurs	ztáy	- :	1.5	ن د
9tvio	ReGn	Tues	day	-	3.0	3.0
TDS Circuite		Frida; Thurs		1.23	-	1.23
Milias (James)	Ena	Thurs		325	0.25	1.5
HTERNI ORIGINAS			-			
Beckman (A)	Text	Tueso	dav		_	_
Sleck & Edgington	\$ \$\	Thurs	day		-	Ţ
faramerson Property (my & Dev Proc		esday	3.5	6.5	-
Hanchester United	Chem		readiny	6	13.5 12.25	-
Harde Storeys		सिवार		5.0		<u> </u>
Dividends are shown in Teports and accounts a opprove preliminary res	re not namally s	ere and Indiable	rug spor e.e solne	t 6 weeks	efter the boar	scrip issue. d meeting b
TA	KE-OVER	BIDS	AND	MERG	ERS	
	Value of		Price	Value		
Company	bid per	Market	belore	of bid		
aid for	dane"	price"	bid	<u> Cine</u>	Bid	Ser
	Blass b					
ingle Talevison!	Priose in punc 837§§	% unioss 845	484	202 n	Mar	
Clayton, Son	128*	127	117	3.40		ı
	62.2	52	-	15.0		-
SUPOR METS		234	220	17.57		hs.
Europe Mins Frankan j	242	200				
reensen I n Shops I	116	115	83	59.36		_
reenser ; n. Shees ; .WT ;	116 780§§	115 727	585	813.11	Granada	
n Shops I WT I Wagellan Inda	116 786§§ 180	115 727 175	585 173	813.11 45.86	Granada Çüremçet	
reenser n Shoos .WT	116 780§§	115 727	585	813.11	Granada Çlaremont Silvermines	

32.60 Capital 542.0 GKN

The week ahead The week ahead Troubles over?

Almost every UK reference last year to Invesco MIM, the fund manager, mentioned its record £750,000 fine from regulator imro and its involvement in the Mirror Group pension scheme. The fine has been digested and Invesco paid the Mirror trustees £11m in a settlement without admitting liability. Analysts say the group has cleaned itself up but results for last year, due on Thursday, are expected to reflect a struggle to retain existing institutional clients and attract new business. Most forecasts for annual pre-tax profits are in the £30m to £40m

range, after an exceptional

item of £11m for the Mirror

pay-out, compared with £12.6m

after exceptionals last year.

Amec will on Thursday become the latest building and civil engineering company to announce annual results for 1993. Hit more than most contractors from its excursion into UK house building, it is expected to have bounced back into the black with analysts forecasting pre-tax profits ranging from £22m to £25m. This compares with an £87.5m loss after provisions of £114.6m in 1992. Another indication of recovery in construction should come on the same day from

Hewden Stnart, the UK's biggest independent plant hire group. It is expected to report pre-tax profits of about £18m for the year to January 31, well up on the previous year's

		PR	ELD	INARY	RESUL'	rs		···	٠
1			Year	P	o-tax rofft rofft	- 64	ninge" shere isi	per	lenda" share s)
	Company	Sector ReGn	- po	12,000 L	(12,200 L)		- (+)		620
	Alexan Afles Conving Equipme	Eng	Dec	4,070	5,030)	25.8	(41.0	22.0	220
	Automated Security	SpSv HeeG	Nov Dec	18,100 2,380	(B,600)	2.4 28.2	(26.6) (-)	3.05 1.0	(5.8) . (+)
	Berdon .	BdMa	Dac	47,900	(40,300)		H		20
	Bannose Blackles industries	PP&P	Dec	10,800 10,610 L	(6,260) (7,630)	30 <i>A7</i> -	(22.18) (7.2)	11.75	(11.75) (9.5
	Blenbeim	Med	Dec	45,200	(48,700)	29.4	(32.4)	10.25 120.0	(9.0) (9.80)
	Bournemouth Water Brake Bros	Wk Refd	Dec	4,840 19,100	(4,750) (15,900)	27.D	(0.69a) (24.5)		
	Breedon	BOME	Jan	1,620	(1,820)	3.86	(4.41)	4.6	
	British Alcan Akmen British Fillings	n√a Dise	Dec	22,730 L 1,400	(15,900 L) (3,400 L)	3.16	. H	2.0	-) 3.1) .
	Capital Industries	PP&P	Dec	4,500	(2,450)	12.9 29.2	(9.8) (15.2)	4.4	(4.0 (8.29
	Corados Co-operativo Bank	Bolika néa	Dec '	213,400 17,800	(1237 by) (9,800)	0.91	(0.1)	-	. (
	Crode International	Chem	Dec	38,500	29,800	20.1 0.9	(15.3) 0.68	8.4	(7.75 10.2
	Cultur Dalaney	Digt HseG	Dec	544 210	(326) (5,230 L)	0.5	. puser	u.e.	, L
	159C	BSC	Dec	931	(3,720 L)	4.85 37.2	(+) (16.7)	4.0 22.0	(13.5 (13.5)
	Edinburgh Fund Mingra Estatos & General	Offin Prop	Jian Dec	9,780 4,510 L	(4,750) (26,400)	312	(10.1)	-	H
	Floher (James)	Trem	Dec	5,630 L	(1,490)	_:	(2.66)	7.25	(1.0) (8.25
	Forth Ports Garton Engineering	Tan Sag	Dec Dec	510 8'800	(10,900) 254)	21.4 3.7	(23.8) (4.83)	125 45	صدم (4.0
	Clobal	FdMa	Dec	1,900	(1,400)	1.1	(0.83)	0.5	0.5
•	Grampian Greet Southern	Phini OtSv	Dec	5,630 6,200	(111,300) (5,200)	7.35 30.4	(14.71) 24.0)	5.5 12.2	(5.5) (1.0)
.	Hammerson	Prop	Dec	39,600	(7,900)	13.9	Ĥ	10.0	(10.0
	Hartand & Wolff Herrisons & Crostieki	n/a Dien	Dec Dec	5,650 L 96 <i>,000</i>	(10,700 L) 25,000t	8.6	() (7.49)	9.0	6 2.0
•	Heedlam	Dist	Dec	3,650	(1,100)	8.0	8.6	3.2	2.6
	Henderson Highlad Tst Hickson International	InTr Chem	Feb† Dec	131.89 22.100	(108.1) @4.300	5.82 10.0	(5.3) (2.01)	5.8 8.0	5.6 820
	Higgs & Hill	B&C	Dec	1,230	(22,040 L)	0.3	(+)	25	2.5
	High Gosforth Park		Dec	50 2.600	(21 L) (2,100)	11.0 12.4	(-) FR. 17)	5.0	(H. <i>5</i>)
١	Hodge Headine Hogg	Med ina	Dec Dec	8,010	(13,420)	-	(+)	5.65	(6.15)
	Hemby	LåH	Dec	1,500	(1,460)	10.9	(11.5)	9.0 11.0	LEGO.
	IoM Steam Packet Ce Inchespe	Ttan Dist	Dec Dec	3,480 271,400	(3,290) (250,100)	20.6 33.9	(19.5) (31.0)		(13.75)
	Jeyes	HseG	Jan	4,900	(5,500)	16.4	21.5	8.1	(7.6)
	Johnston Press Jourdan (Thomas)	Med Date	Dec Dec	12,500 254	(9,700) (1,120)	27.0 3.45	<u>6227)</u> (+)	7.0 1.0	(5.25) (0.75)
	Littlewoods	n/a	Dec	117,200	(67,300)		(4)		Ή.
ı	Mécalian-Glenbret Mectariane (Clansmun)	SW&C	Dec	5,700 12,700	(7,040) (10,280)	3.82 11.25	(4,45) (8.8)		(0.915) 63.186)
	MayGower	EngV	Dec	5,380	(1,700)	2.59	(1.23)	1.35	(1.25)
	Meggitt Menarch Résources	Eng Exin	Dec	23,300 2,810 L	(21,200) (4,720 L)	7.1	(6.6) (4)	3.93	(3.78) (-)
	Mondeld Estates	Prop	Dec:	494 L	(1,980 L)	. •	(1)	•	H
	NB Smaller Co's Trust National Express	Jair Ten	Feb†	154.5 9,300	(118,0) (6,800)	3.79 16.7	(3.53) (16.6)	3.57 7.5	(3.45) (-)
	Neigran Hurst	lna	Dec	5,310	(1,410)	16.6	(3.4)	-	(-)
	Nestor BNA Naversen Torrica	Hadri Balanta	Dec Dec	4,520 15,800	(1,710) (4,380)	4.46 7.8	(0.91) (-)	3.15 6.2	(8.15) (9.3)
1	Next	ReGn	Jan	73,500	(38,900)	17.3	(9.9)	5.5	2.5)
	Morerich Union	1/8	Dec	131,000 2,210	(23,460 L)		H	21	()
	OIS toti inspection Ocuss	SpSv Tran	Dec	44,100	(16,000)	5.4 20.3	(1.4)	14.39	(14.33 <u>)</u> (14.33 <u>)</u>
١	Pearson	Med	Dec	208,600	(151,000)	27.Û	(19.3)	13.0	(120)
Į	Pentos Portmeirlon	ReGn HeeG		70,800 L 4,180	(4,000) (3,670)	28.42	(2.6) (22.67)	8.0	(1.5) (2.75)
	Princedale	Med	Dec	740	(254)	1.9	(1.0)	0.25	· H
1	Proudicot Palaz	Sp\$v ELEE		10,900 L 3,030	(24,500) (1,420)	214	(17.5) (4.83)	35 28	(120) (25)
Ì	RJB Mining	Extin.	Dec	12,200	(11.0)	22.7	· H	12.0	::⊬
į	Ropner Rockel	Dvin Ballifa	_	. 3,990 699 L	(1,200 L)	11.5	(11.0) (H	8.25 4.3	(6.25) (4.3)
1	Rotork	Eng	Dec	12,900	(10,500)	9.38	(7.58)	425	(3.72)
ļ	Roydero Royal Douben	ESEE: HeeG	Dec Dec	6,400 3,040	(3,900) (3,890)	14.3	(13.2) (14.2)	3.0	H
ĺ	Rassell (Alexender)	Bolista	Dec	1,680	(1,940 L)	269	H	1.75	(LLI)
1	Rictional Transit School	. QiFri Hith	Dag Dec	10, 90 0 16,700	(6,670) (16,100)	3.17 12.7	(1.68) (12.1)	0.87 3.8	(0.80)
ļ	Senior Engineering	Eng	Dec	24,200	(8,400)	7.14	(0.96)	336	β.15
1	Servomex Sharpe & Figher	Eng BoMa	Dec Dec	1,520 2,350	(2,110) (1,450)	9.4 9.2	(14.1)		6.9
Į	Sherwood	Text	Dec	18,500	(16,900)	10.7	(7.8) (8.01)	42 29	(4.G)
ł	Sphere inv Trust Spigor-Sargo Eng	inTr See	Dect .		(75.57)	4.33	(3.92)	34	(D.1)
1	Steel Bunfil Jones	Eng Ins	Dec Dec	28,700 521 L	(23,100) (13,270)	21.5 -	(16.9) (18.11)	9.0	(13.25) (13.25)
ł	T & S Stores Taylor Nelson AGE	ReGn Med	Jan Dec	12,560 4,170	(12,530)	6.1 1.26	(5.9)	13.44	(15.17)
1	Taylor Woodrow	B&C	Dec		(994) (1) (94,500)	41	(0.38) (1)		(08.0) (0.1)
l	Tibbett & Britten Ticketing Group	Tran		24,170	(14,730)	37.4	27.3	142	(71.8)
	Tithury Daugles	lah Bec	Dec Dec	614 20, 90 0	(1,900 L)	0.09 46.2	()	33.0	() (D88)
1	Transfer Ulster TV	Eng	Dec	11,200	(2,400)	8,9	84	3.3	جُون
l	Astronomics Community	Med SpSv	Dec Dec	5,070 385 L	(4,180) : (-)	31.78	(24.2) (+)		(100)
1	Waterlord Foods	Folds	Dect	24,500	(23,700)	11.1	(10.00		2.73
l	Waterfurd Wedgwood Watts Stake Bearne	HaeG Extra	Dec‡ Dec	10,100 7,940	(17,000) (7,250)	1 <i>2</i> 7 23,3	(-) (23.1)	120	(i) (10.7)
1	Wilson (Connolly)	9&C	Dec	28,200	(18,800)	10.2	(5.1)		(3.83)
					•				<u>:</u>
J									

Сотрату	Sector	Helf-year to	Pre-test (R:00	interim dividendil' per share (s)		
Admest	Delta	Dec	3,930	(3,240)	21	20
Blackwood Hodge	nva	Oec:	5.020 L	(147)		7
Bridport Gundry	Text	Dec	220 L	439 L	1.25	ηi
F & C US Smaller Co's	In Tr	Dect	109.2	68.6		. 7
Frogmare Estates	Prop	Dec	7,260	(4,170)	3.8	(3.6
GR Holdings	LAH	Dec	217 L	(125 1)	D.A	. 64
Grayatone	Eng	Dec	1,150	` 56	0.1	∵."(
Halstead (James)	Bc\$4e	Dec	4,540	(3,970)		25
Lloyd Thompson	ins	Dec	9,800	(8,200)	24	20
MY Holdings	PP&P	Feb	1,130	611)	0.5	025
Premium Trust	ins	Feb†	97.5	Ü	0.25	0.25
Pressac	ESEE	Jan	684	619	0.75	0.75
Scottish Asian Inv	InCo	Jent	354.9	(170.6	-	T.
Scottish Metropolitan	Prop	Feb	7.160	(1,180)	0.5	(0.4
TR For East Inc Tst	laTr	Febt	196.2	(160.9 1)	1.4	(1.2
Thorpe (FM)	砂底	Dec	869	(402)	10	(O.B

"Obtidends are shown not perior per share, except where otherwise indicated, i. = icss. † Net assist, value per share. In Provious year and figure, † Figures in Irish punts and pance, ip Figures in US Dollars and cents. Current figures for 15 months, comparatives for 12 months.

RIGHTS ISSUES

Shillish Bio-technology is to raise 033.6m via a 1-3 at 400p rights issue, with w Date Electric is to raise 04.46m via a 2-3 at 05p rights issue. Holliday is to raise £26m via a 1 · 4 at 180p rights lesue. ntal is to raise IP29.2m viz a 3 - 7 at IF400p rights Mileys in to raise \$25m vie a 2 - 13 at 425p rights issue.
Pentos is to riese \$45m vie a 4 - 3 at 25p rights issue. Protecs International is to raise £10.4m viz a 1 - 7 et 280p rights lesue loct is to raise 19.6m viz a 2 - 7 at 60p rights issue. Senior Engineering is to raise SS2.5m via a 5 - 9 et 1950 rights issue.

OFFERS FOR SALE, PLACINGS & INTRODUCTIONS

Acrostructures Hambie Holdings is coming to the market vis a fotation.

Argent is coming to the market vis a placing and offer.

Persona Group to to raise £1,93m vis a placing of 8.4m shares at 160p.

Piper Baropean Smaller Core Trust is coming to the market vis a placing and offer of \$0m shares

Pittemoriell is to raise 225m vie a placing and offer. Uniquelm is to raise 25.39m via a placing of 5.5m arieres at 100p. Watson & Phillip is to raise 210.7m via an offer of stores at 357/

Studda is to raise 207m via a 1 - 4 et 72p rights issue.

Name of Society	<u>Presinct</u>	<u>Grass</u>	<u> Etas</u>	Met	Het Conf	<u>lateresi</u>	<u>Hintell</u>	Access and other details
Affance & Lakester	Special Edition	521 7.56	7.50	5.62	<u>Sar#</u> 5.62	<u>Paid</u> Yrly	B <u>alance S</u> Tiered	7.307.658.ESA.494.95. tag withdrami of 18% of balance
	Štaus 90	7.00	7,89	5.25	5.25	Yes	Tierai	villagt pendly. Rute variable 4.88%. Salt. 1871. 55
	Tess	6.65	6.65		-	Taby	70	26 days potice/specific inc., he
	Mighan	5.25	5.25	4.39	4.39	Thy	Tiered	5.10 (2)(K.S.50 (2)(K.S.55 (5)(K Instant access
	Instant Access	4.64	4.60	3.45	3.45	Trip	Tierei	4.25/LI\$4.003.E4.25
yestey	Second Mes	7. 5 8	7.50	5.63	5.63	Tidy	75,697	M day popully on withdrawals.
rainglass Middlires	Gesetten 1996 Int	b.46	6.30	4.72	4.78	Trop	58,660	Instant access above \$10%
P42 45740)	First Class Int	7.80	7,84	525	5.25	Yelly	106,000	विकास के विकास
rationi and Biophy	Maximiser Special Asset, Waximiser Special Asset,		\$.28 6.28	3.99 4.65	3.99 4.65	Yaly Yalu	5,000 18,000	100 day police. Mouthly Recoun 5.00% gross, 6.85% gross, 6.50%
	Nacioser Special Asset		6.78	5.05	5.65	ing Tite	29.880	900, 4.75% 900
	Maximier Special Asset		6.95	5.21	5.21	Yely	48,000	<i></i>
	No. 15ph Bly () 7ess	6.75	6.75	•	-	Trip	9,000	6.75% Gress on specific funder.
athalic (1771-222 6734/7)	Julijet Bood	6.55		4.91	525		91,000	10 Org 22K+ 6.59KA.72K set.
entery (Edinburgh) (851, 556 1711)	"A" Shees Onlinery	7.60 5.66	7.80	525	3.785	According 15 Yeary	186 1	Surrenteed First flate Instant Access. He Fernilles
helteskam & Cloucester	CAG Instant 7	6.75	L75	5.06	5.86	Yely	105,006	lastingt, with 7 day less of interest. Mrs. inv. 15000
1889 71.75 (5)	Best 98 (Clased Issue)	7.40	7.46	5.55	5.55	Ydy	180,000	Classed Insect. 45th, 7.39% 525t, 7.28% 53th, 5.99%
Ry & Metropolitas	Seper 60	6.80	6.80	5.18	5.18	Yely	19,000	Withdrawals at early 60 days notice. 30.12.93 6,80% 10K,
dia.	Premiuw XI;q Premiuw XI;q	6.65	6,80 6.65	5.18 4.97	5.10 4.99	Yely Tely	190,000 50,000	Green spites lockude 9.25% assutal green busets pagainin where an willedynamic octur. Out willtakrasad up to
	Premium Xiva	4.60	6.49	4.20	4.89	75 7	25,890	25,000 per mile where £10,000 remains. Different interest
	Premium XIva	6.00	6.00	4.50	4.50	Yely	10,000	सके अने के जान विकास के अध्यान के जान के जान के अध्यान के जी
	Tesa	6.89	6.50	-		Tity	50	System and 2 beautes
ects & Bollect (6532 497511)	Capital Secsi	7.30	7.34	5.48	5.48	30 April	150,000	Widge notice/penalty. Mustify income option also available
	Tessa Gold Access	6.80 5.35	6.80 5.35	4.61	4.63	33 Dec 31 Dec	1 258,896	He transfer restrictions or charge. Layally bones 4.56 autos year 5 No aptics no panelty
eds Permanent (18532 438181)	Bours Seld	7.30	136	5.48	5.48	Aspeni	186,000	Includes an independ home; of \$ 50% & p.a. provided no withdrawals
	Bunts Gold	7.10	7.18	5.33	5.33		189,000	made charing precious 12 month period. Thereof rates from \$16,000.
	Liquid Gold	5.10	5.16	3.83	3.23	أنسينا	25,800	जिल्हा स्टब्स के प्रथमित शिक्स जिल्हा होने कि 🔀
	Saild Gold Saild Saild	6.18 5.94	6.19 5.94	4.58 4.46	4.51 4.46	Angental Monthly	50,860 50,000	Instant access, so possity on min of \$10,000. Otherwise 90 days notice on 90 days lost of interest. Thered interest sales from \$500.
arples (8292 642021)	Brisley 68	7.98	7.80	5.25	5.25	Amaily	250,000	With wife
,	Calcher	5.50	5.50	4.12	4.12	Aspendig.	25,000	lastant access
ationi & Producial*	inestwent Reserve	5.75	5.75	4.31	4,31	Yely	5,000	Ameri jelovi
1060 446606)		ᅜ	6.53 6.75	4.87 5.86	4.87 5.86	Yely Yely	19,899 25,898	option. Rules include 1.9%
		7.50	7.00	5.25	5.25	July 100	2,000 33,000	Integration 1975
		7.25	7,25	5.43	5.63	Yels	160,000	n vilázek
		7.50	7.50	5.62	562	Yely	250,000	
cucastle (091, 232 6676)	Nova Plas Nova Plas Special	3.52 3.55	3.75 5.55	2.81 4.16	2.85 4.16	Yely or Mili Amend	ly 5000 200,000	lutinet accest, jul. rikt jegrpuses with balance. Bushmil access.
	Hera Sta (Japan VII)	6.85	6.85	5.14	5.14	Access	5806	Act, after 1 or town and 10 dys not. While hat mad at reduced rate
arth of England (091 510 0049)	Edinbergh 30	6.50	5.50	4.60	4.33	Yaly	25,000	30 days potheryless. Postal proposal. Lower rath
	Account	6.00	6.98	4.56	4.50	Yeld	19,898	anilable on CS(H+ and for monthly income.
orthony Rock (091), 285 77.971)	Postal 7	7.3 0 7.35	7.30 7.15	5.48 5.36	5.49 5.36	Amirei Armai	190,000 50,000	Pestal account, Roles include a en willinksurals houss of 0.25% gram payable
		7.96	7,89	3.25	5.25	ارسية ارسية	25,690	Il sen ange sa aggregative materi ta errosio itamo balante
		6.68	6.30	5,10	5.10	Jessel	10,600	is 12 months from
		6.48	6.48	4.80	4.30	Ameri	2,500+	1 July to 30 June each year
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FINANCE AND THE FAMILY

The commission-hater

Chantrey Financial Services: 10th in a series on fee-based advisers

avid Harris, the managing direc-tor of Chantrey Financial Services, has a dream. He would like commissions on the sale of financial products to "disappear off the face of the earth."

.Harris says: "In general, the financial services industry has been brought up to think that any time spent will ultimately result in a product sale. I think that is at the root cause of all our problems. We have created a public relations image that is really appalling, and we have now got a very long road and a hard job to try to put it right."

Harris worked for a Canadian stockbroker before joining accountant Chantrey Vellacott to develop its fixed interest business. He also began to take over the investment portfolios of the firm's private clients. He founded Chantrey Financial Services (CFS) in 1986 as the investment and financial planning arm of the practice.

The rigorous professional approach by CFS reflects Harris's own trenchant views on the manner in which independent financial advisers (IFAs) should conduct their business. From the start, it offered comprehensive financial planning exclusively on a fee basis, and obliged its advisers to acquire qualifications as part of their employment contracts.

Fees are time-based and range from £35 to £150 an hour. Any commission received is rebated to clients or re-invested on their behalf. Harris says: "Everybody in CFS must produce an account statement daily, and this has to account for seven hours of client work. All that information goes into the main frame computer and is converted into a monthly print-out. I can analyse this and see who spent what time on a client's account "

Harris argues that the financial services arm of an accountancy practice should enjoy the best of two very different worlds. He says: "I am fully sware that there are people in the accountancy firm with more knowledge on tax than I: have, and I don't think IFAs can give proper tax advice. Because of my investment result of a merger between two background, there has always firms (one dating back to 1788),

investment without a tax con-

will often be an investment.

Harris concedes, however,

that there can be a clash of

cultures between accountants

and IFAs. His accountant col-

leagues sometimes have a

jaundiced view of financial ser-

vices, and it can be difficult to

find financial advisers who

operate comfortably within the

framework of an accountancy

practice. "You need someone

who is technically competent,

approachable, has the patience

"On a day-to-day basis I am

of Job but is also commercially

given a completely free rein,

shareholders for the perfor-

mance of the company. I am sure that a lot of clients proba-

bly see us as a department of the firm, and I think it is a

measure of our success that we

are named in the same breath

as the tax practice." Some 90

per cent of the CFS clients

come through the accountancy

Chantrey Vellacott is the

aware," Harris says.

They are entwined."

مكان الامل

been a leaning to put tax and each with a rather different cliinvestment planning together. ent mix. One practice concen-It is very difficult to make an trated on personal tax clients, with a particular emphasis on sequence; and, when an the legal profession, while the accountancy firm is looking at other dealt largely with suctax matters, the conclusion cessful family companies. These two strands are reflected in Harris's clients today, 20 per

> bout 40 per cent of the firm's income comes from investment management; 40 per cent from work on pensions and their derivatives; and 20 per cent from personal or corporate financial services. The average investment portfoho is around £100,000 but no minimum is imposed: Harris says there is room for "Mrs Smith with £5,000".

"The starting point of any portfolio is always National Savings and index-linked vehicles," he says. "Then, we look at the equity portion. We would always suggest an inter-national spread. For the most part, the portfolios will tend towards investment trusts and units trusts and offshore funds." If clients want a direct exposure in equities. Harris uses stockbrokers with which CFS has connections. He says: "As a quid pro quo, we get some advice and valuations

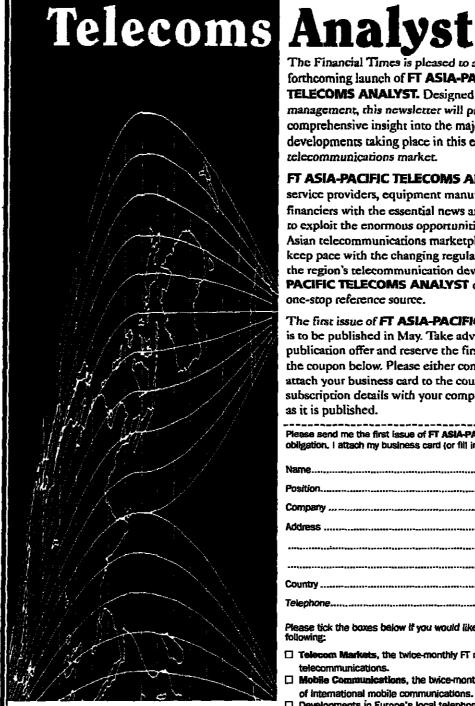
free, so we are able to provide this added value for clients."

All client investments are managed on an advisory basis. "As an investment manager. there are times when I would be delighted to have discretion-ary funds," Harris says. "It would make my life much easier. But we believe that clients come to an accountant for advice, and that they then make their decisions on the advice he gives." Harris adds:

"I think our clients trust us." He is optimistic about the future of IFAs such as Chantrey but less happy about other developments in the financial services industry. "I am sceptical whether the (proposed new) Personal Investment Authority will work, and I think the IFA sector will be under-represented on its board. Ultimately, that must mean that the big banks and the life companies will have more and more sigmificance_

"I believe firms such as CFS will have a niche if they do their business properly and would like to see that niche grow. But I am not terribly confident that we will not end up with a fee-paying sector only for high net worth individuals. I would be very disappointed if that happened."

Joanna Slaughter



FINANCIAL TIMES

NEWSLETTERS

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FINANCE AND THE FAMILY

Name: Provident Life

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19.3 per cent) Reduction in yield : (eculvaler

(inclusive average is it.6 per cent)

being deducted

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suly months when commission still

Performance": With profits fund

average over the years. Unit inherit menaged built shove average over the years (egular premium), below average (angle premium), below

and international tunds below average: Non-equity funds (proper) based interest etc) excellent.

Provident Life 6% grit 12% grib

PERSONS 2186.977-

es divided by total pre

ncome) 1991 31 per cent, 1992.21

per card disclusivy average in 1991;

Stritus: Propriets Founded: 1877

Pioneers of pensions

rovident Life and Professional Life pioneered the concept of non-commission personal pension plans and provided a blueprint for the modern pension contract. So far. they have been joined by two recent entrants to the individual pensions market: Mercury Life and Invesco MIM. But when life offices are forced to reveal full charges and commissions from January 1995 onwards, more will join them.

Provident Life and Professional Life are backed by heavyweight parents - both Winterthur and Skandia are among the European top-20 life offices. Winterthur has an impressive top rating of AAA from Standard and Poor's.

As this series has revealed, most major providers are prepared to sell their commissionloaded plans on a nil-commission basis. Under this system. though, it is difficult to check how much of the commission actually is re-invested in your

With a genuine non-commission plan, if the adviser's remuneration is deducted from the client's premiums, this will appear as an explicit charge on the client agreement. And the flexibility of non-commission products compares well with standard commission-based plans, since the charging structure is explicit and there is no penalty for reducing or stopping premiums.

A distinguishing feature of the two companies' plans is that, in addition to internally managed funds, they offer access to external fund managers. This allows the client to switch investment managers without the cost of changing to

another provider. Professional Life's charges include an annual administration fee of 0.75 on the first £5,000, reducing in stages to 0.25 per cent. The annual charge of the external fund manager ranges from 0.2 per cent (BZW) to 0.95 per cent (Morgan Grenfell). There is also an establishment fee of £2.50 a month for five years.

The plans normally are sold

on a commission-free basis, but Professional Life will deduct a flat rate adviser's fee from the first premium if that is the method preferred. The company offers a series of managed funds (invested in a range of sectors) and sector funds (such as UK, US, European equity) run by six external managers. Most of these funds were launched in 1990, so they do not yet appear in the five-year performance tables. Over three years, however, Fidelity and Morgan Grenfell achieved excellent managed fund returns followed closely by Gartmore, with performance consistently in the top 25 per cent. Professional Life's money fund is a leading performer for



the three years since launch in

The bulk of Professional Life's personal pensions are used as transfer plans, although a few are transfers of benefits from occupational schemes. Most clients switch from other providers to gain access to the range of external investment managers.
Provident Life's initial

charge depends on the premium size: for example, 2 per cent up to £19,999. The annual fund management charge is low: 0.5 per cent. There is also a set-up fee of £150 on regular premium plans, and a service fee of up to £2.50 a month.

Last July, following a disappointing period of in-house investment. Provident Life appointed Schroder to manage all but one of its equity-based funds. The impact of the external management has yet to be seen - but Provident Life's non-equity funds (property, fixed interest, index linked and money) are run in-house and have an excellent record.

Debbie Harrison

Names Professional Life: Status: Proprietary: Market position: Subsidiary of Skindla Life, 19th largest insurance company in Europe by premium...

Financial strength: Parent Skandle has adequate Standard & Poor's

(at 31/12/93) Premium income 1993: £46m ilje 8 Number of personal pension clain clients: 2,951

raber of transfer plans sold: Sales pullets: Conduiting actuaries.

countries(ou or exhibit sinouit deducted from that premium Recurring single premions contracts? All products structure on requiring no commission basis Expense ratio: (managem expenses divided by total prettiling, income) 1991-24.8%, 1992-18.8%,

1993 2.3%* (industrý average in. 1991 19.3 per centi Reduction in yield**: (equivalent ennuel percent charge over the life of the contract) Depending on 1.5 per cent on 25 year regular . premium beit linked place floringry

average is 1.6) Penalties on early extrement or rmination: None Performance**: Depends on manager selected. Excellent neged fund estums from Fidelity and Morgan Grantell, Sastmore top quartie (tap 25 per cent), in house money fund also excellent, manager fund above average..."

and in Bont Fidelity plans when the unit true group withdraw from the market. Without this the flavor would have been 12 tres cold.

Charges: At present life office. rations of what your investin may produce use a standard basis." for charges set by Laure (the Life Assurance and Unit Trust Flegulatory: Organisation), Provident Life and Professional Life plans are structured sion basis but: naturally they do impose other charges for administration. To reveat the impact of these charges weasked for flustrations for a man ean 45 who expects to retire at age 65 fe a 20 year contract), paying (a) £200 per month and (b) a stand alone single coemium of £10,000. The trief. flowers show a theoretical value where no charges were deducted

228,448 288,001 Professional Life £85,406 £171,747 227,391 184,990 210,000 : 001,125 £183,971 2200 210,000

Note: Advises less ens not included in these figures and would elitter

MEW INVESTMENT TRUST LAUNCHES Manager (Teleptone) Market position: Pereri Visiteritus the Swiss institutory group, is only of the 20 in Europe by market **E Govett Giobal Smaller Com** John Govett (071 378 7979) 1.5 20-50 p/s No Yes 100p 95,2p 1,000 Cred Lyns Laing This fund will chase economic conditions likely to promote smaller company outperformance around the world ■ Piper European Smaller Companies Piper International (071 248 4000). 1:5 20-30 n/a Yes Europe C'house Tânev Plans to take advantage of expected boom for smaller companies as European economies recover Templeton (0800 272728) 1.5 140 m/a No Yes 100p m/a 1,000 1,25% n/a A new chance to participate in a highly-auccessful trust with a very wide geographic spread contrare 18.5 per cent, estate agent II. Templeton Latin American Investment Trust 1.5 504 n/a No Yes 108p 96.5p 2,000 1.25% n/a n/a The third new Latin American fund this year; this one is led by Mark Mobius, the force behind Templeton Emerging Markets ■ Undervalued Assets Trus 90 40-50 n/a: Yes Yes 1000 98p 2,000 1% James Cane UK Growth M NEW UNIT TRUST LAUNCHES athkal percent charge over the Us of the contract) 0.7 per cent to 25 year regular promism unit finked plan Clobal Privatigations Fund 1.5-2.0 Yes Yes 5.25 1.5 No 1,000° 2 1.5 1-3" 1,000° Fb; pr 21/3/94-94/94 Fidelity (0800-414161) int Equity Growth Another fund on the privatisation band wagon but one of only two (Guinness Flight) global funds, includes companies benefitting from privatisation **II** Extra income Trust No 6 1.5 No 3,000 6 1.5 No 3,000 1 Abbey Life (0202 292373) A high income fund using derivatives to boost income to 2% above base rates, capped at 13%; do not expect capital growth 4.6-4.8 Yes No 6 1.5 No 3,000 6 1.5 No 3,000 1 Abbey Life (0202 292373) Pays income monthly and invests in up to 7 unit trusts. About half the investment is in fixed interest funds. for £50 a month; **Withdrawal charges of 3 per cent in first year, 2 per cent in second year and 1 per cent in third year.

BRIEFCASE

I am just setting about my capital gains tax computation for 93/94 and am stuck on two

1. The Inland Revenue approach to computing income and gains on disposal of shares acquired through enhanced scrip dividends.

2. The date of acquisition of shares acquired via a trust settlement. My father died in 1968, leaving shares in trust for me, with my mother receiving all income until she died in 1986. When did I "acquire" them for CGT purposes? As 1982 saw a new "base

line" of capital gains established. I have been assuming that April 1982 is the date for trust settlement 1. A scrip dividend which is

sold straight away has to be shown in your tax return twice: first as income and then in the capital gains section.

For income tax purposes, you will be treated as though you had been paid a dividend equal to 125 per cent of the market value of the scrip (on the quarter-up basis), and as though income tax had been deducted from that dividend at the rate of 20 per cent, broadly speaking. That notional income tax is not repayable,

For CGT purposes, the scrip is treated broadly as though it were a rights issue, taken up at a price equal to its market value (on the quarter-up basis, as above). The calculation of the chargeable gain will, therefore, depend upon whether part (or the whole) of your original shareholding was acquired (or is deemed to have been acquired) before April 6 1982, for example.

Ask your tax office for the free pamphlets CGT13 (The indexation allowance for quoted shares); CGT14 (Capital gains tax: an introduction); and CGT16 (Indexation allow ance: disposals after April 5

2. On the bare facts outlined. you are deemed to have acquired the shares on the day of your mother's death at their ter-up basis) on that day.

A cottage to let

I am considering letting a terraced cottage as shared accommodation. I am told the Revenue does not regard property letting as a business, regardless of how much time is actu-

Scrip and the Revenue view

ally spent in managing tenancles, maintenance etc., and as well as preparing documenwill not allow expenses to be deducted before tax. Is this so? tation for the lettings etc. ■ The letting of property is not a trade (and, consequently, the generous expenses rules of case I of schedule D do not apply), but expenses are deductible under the rules of schedule A (unfurnished letting) or case VI of schedule D

(furnished letting). It is possible to elect for income from furnished lettings to be assessed partly under schedule A and partly under schedule D case VI, which can be advantageous in some situa-

As a first step, ask your tax office for the free pamphlet IR87 (Income from letting property). Then, since you will need

a solicitor, try to find a firm which can give you tax advice

Half share in house

My parents owned the house in which they lived as tenants in common. My father died recently and left me his half share. If the house is sold, will I be liable to CGT on my share? (I own and live in a house in another town). If I gave my share to my mother, would she have to pay gift tax? If I refused the inheritance, would it go automatically to my mother, thus avoiding any CGT if the house is sold later?

■ What you might save in CGT could be more than lost in inheritance tax (on your mother's death) if you renounce your father's bequest. Your reference to "gifts tax" indicates you do not understand the CGT and IHT systems - so do

Closes 13/0/09

Closes 84/94

Closes 14/494

8/4/94-20/4/94

21/2/94-29/4/94

discuss things with the lawyer. Before the second anniver sary of your father's death, you should give formal notice to your tax office (under section 222(5)(a) of the Taxation of Chargeable Gains Act 1992) that your existing home is to be treated as your main residence, with effect from the day

of your father's death. This notice will give you the chance eventually to elect for your parents' home to be treated as your main residence, and then to elect for your existing home to be treated as your main residence once again. with a week or so in between. Such judiciously-timed notices could bring you substantial (or complete) relief from CGT on your half share without producing an unacceptable CGT bill on selling your existing home.

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This table covers major banks and Building Societies only. All rates (except Guaranteed Income Bonds) are shown Gross. Fixed = Fixed Rate (All other rates are variable) OM = Interest paid on maturity. No Net Rate. Par By Post only. A = 7 days loss of interest on all withdrawels. C = Rate guaranteed to be 2.25 per cent above base rate until 1.9.94 (min 7.50 per cent) and then 1 per cent above until maturity.

Source: MONEYFACTS, The Montally Guide to Investment and Mortgage Rates, Laundry Loke, North Walsham, North Matsham, nt and Mortgage Rates, Li Nortotic, NR28 OBO. Readers can obtain a complimentary copy by phoning 0692 500677.

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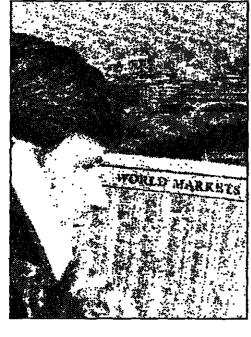
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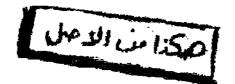
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The Mirpuri brothers - Henry, Robert and Michael in their showrooms. Exports account for 90 per cent of their childrenswear output.

Brothers in business

The Mirpuris are interchangeable – except when it comes to pay. Wilf Altman reports

asked: "Are you going for the hat trick?" as Robert Director of Magicwell, a North London children's ciothing company, proudly received an . They began above their shop award for the second year in

awards dinner of the British Michael explained. The other Apparel Association of which the Princess is president. The Mirpuri brothers' firm, Magicwell, had just won again the accountant Melvyn Singer of "Outstanding Export Achieve-ment" award in the children

further, and has been built mainly on overseas sales.

In 1970, brothers Robert. Harry and Michael Mirpuri. plus a cousin and an uncle, set up a childrenswear shop in south-east London. By 1974 they owned four shops specialising in clothes for 2-12 year

Robert recalled: "Retailing, combined with a little wholesaling taught us two important lessons - the value of being close to and listening to our customers, and stocking what they wanted, and secondly offering a good service. If we had a good order in the morning, we'd run to the years we doubled this every supplier in the afternoon and year."

Continued from page I

which it was put across by Ber-

lusconi were researched and

scripted carefully in a way that

no previous Italian politician

had bothered to do. Berlusconi,

although 57 and balding, was

made to look youthful. He

went around with a permanent

make up artist and, where pos-

sible, sought to be filmed by

his own in house camera crew.

His double-breasted suit,

immaculately pressed shirt and

neutral tie made him look suc-

cessful without being too

imposing - the kind of person

every middle class mother

would trust immediately when

As for the message, it bore a

strong ideological tone of right-

wing, free market ideas. He

even tried to enlist the services

of Lady Thatcher in his cam-

paign although, unlike

Britain's one-time Iron Lady,

he conveyed his message in a

non-confrontational way, keep-

ing political jargon to a mini-

While this appealing solution

to italy's most pressing prob-

lem did not impress the econo-

mists, it certainly had many Italians nodding in agreement. They want to believe he can

audience.

gu. ₹ . *

answering the door bell.

In 1980 the three brothers decided to branch out on their own to concentrate on exports, mostly to the Middle East at

in lalington which they still shops were sold.

they were impressed by Berg Kaprow Lewis, who has since been a friend and adviser on such key issues as finan-The business was started in cing growth, revising the capi-1980, although its roots go back tal structure of the company,

growth market. "We started making up collections through our supplier contacts," Harry recalled. "We went out cold to Kuwait, Bahrain and Dubai. I well remember our first big order was worth £17,000. In our first year, export sales came to £132,000. For the next three or four

he Princess Royal get the order out on the same asked: "Are you day."

first. House of Fraser, Etam and

own. "If helps us to keep in During the course of the sale

tax planning and so on.

As retailers and wholesalers. the Mirpuri brothers were already selling to visiting Arabs in the mid-70s. Coming from the Sudan they all spoke Arabic and began to appreciate that fashionable children's clothes were becoming a

Berlusconi got to where he is.

It offers few guidelines on how he will fare as a politician. In

his favour, he has enormous

energy and determination and,

according to his supporters, an

excellent business brain. But

this is not necessarily enough

have faded into obscurity if he

had fared badly. But, having

come out on top, he now

becomes vulnerable to the very

things from which his cam-

paign strategy protected him: a

He and Forza Italia would

to create a good politician.

turn to make at least three overseas trips each year. But while export sales account for about 90 per cent of turnover, more efforts are being made to increase UK sales. Key accounts include Debenhams,

Fenwick. reached £6m and at the firm's North London office and warehouse the average weekly business of £125,000 is handled by seven employees and the three

> brothers. Robert, the eldest, studied production. He looks after marketing and finance - the latter with advice as required from Melvyn Singer. Harry is responsible for administration, shipping and documentation

and Michael handles UK sales.

The brothers work closely together. We are fully interchangeable," said Harry. "Each of us can do the jobs the others do." But that does not mean they are paid the same. Robert explained: "We pay ourselves and share profits according to age. That's a traditional Asian custom when businesses are built and run for the benefits of families." Most of the profits, however, are reinvested to allow for expansion.

The Mirpuris' strength is in tion by opening department stores in the Sudan before comdesign and sourcing. They are quick to spot market require-

create im jobs and lower taxes.

All this helps to explain how Berlusconi got to where he is.

ence; the magistrates investigating the practices of Finding invest and its alleged criminal links; and the conflict of interference investigation. In short, he has studied carefully how to be a politician from the viewpoint of market-

est between owning Fininvest

His personality as a manager

is ill-suited to dealing with a

fractions political establish-

ment, even if this establish-

ment is being reconstructed.

He is vain and wounded easily

speaker once forced outside

In particular, he has made

himself a hostage to campaign

filled easily in the present cli-

promises that cannot be ful-

and being a politician.

scripted remarks.

Prima donna performance

critical and fickle public audi-mate without raising Italy's

Now the brothers take it in ments and tastes, and to ing to England. "But this," said Robert, pointing to a bulging develop ideas. Middle Eastern customers like frills and storeroom and the rows of frilly childrenswear, "would flounces, fussy party frocks and mini three-piece suits. have been beyond grandfa-Almost all their ranges, ther's imagination."

many of them small businesses

in the Midlands, equally keen

to come up with new ideas and

to work on those out forward

straightforward expansion,"

said Robert. "We've had some

very thin times, for instance

during the Gulf War and more

recently when the pound was

very strong. On the other hand

we've benefited since Britain

The brothers admit their

business success owes a debt

to their family, not least the

entrepreneurial skills of their

grandfather. At the turn of the

century he set sail from India

for South America, then to

Alexandria where prospects

were said to be better. From

there he sailed along the Nile

to Port Sudan where he hired a

donkey to carry bundles of Chi-

nese silk and indian curlos to

ing a product - Silvio Berlus-

politics. But while elections

may be about marketing, the

broader art of politics in Italy

is about survival in a jungle of

Let us not forget that Italy

you listen to the stories behind

the music and the prima don-

nas of Italian opera, you will

find they are often of betrayal.

As They Say in Europe,

intrigue.

Page XVIII

by insults. He is a poor public fathered Machiavelli. And if

coni, the new face in Italian

His sons built on this founda-

the dockside to sell.

came out of the ERM."

'It hasn't always been

by the brothers.

■ Magicwell, 32-34 Gordon including children's body vests and briefs, lace-trimmed socks and fancy waistcoats are man-071-482-4264 ufactured in the UK by

House Rd, London NW5 1LT

Road Test/Stuart Marshall

A cabriolet to fit seductive moments

was the kind of motoring few believe still possible and fewer have experienced. The road well-graded, signposted lavishly and mostly well-surfaced - ran through ranges of rocky hills that changed colour by the minute. It was almost free of traffic; the sun blazed down from a cloudless sky; and the open, two-litre Peugeot 306 cabriolet matched the mood perfectly.

I was in Egypt, driving down the west coast of the Gulf of Aqaba to Sharm al-Sheikh and the Ras Muhammad nature reserve on Sinai's southern tip. For most of the way, the land is uninhabited. On the straights, with clear

visibility for miles, the Peugeot ran safely up to its maximum 121mph (195kph). On the winding passes, it cornered as though glued to the tarmac, the 128-horsepower engine singing sweetly in third and

In Sharm al-Sheikh itself, a prudent 25mph (40kph) or less was dictated by a combination of ferocious speed humps and locals unable to decide on which side of the road to drive. But the Peugeot's suspension dealt as capably with deep pot-holes as it had with the odd stretch of broken surface at high speed.

For the cabriolet, Peugeot has reinforced the 306 hatchback body shell heavily and tuned the suspension. As a result, the open body is so stiff that, even on corrugated dirt roads, the fascia did not shake. (I have known some open cars to shake so badly that the instruments became a blur on moderately rough surfaces.)

The hood is super-efficient. too. Unlock a pair of clips on the windscreen, press a button - and the top vanishes under an automatic pop-up panel in the rear deck.

There is not quite so much room in the back seat as in a 306 hatchback but, for a cabriolet, the boot is surprisingly wide and deep. Driving position and general dynamics -

the accurate power-assisted steering, light gear shift, powsummers. erful brakes and sure-footed handling - are as good as one

expects of a Peugeot. Even at maximum speed, hood and windows down, your head feels in no danger of being blown off. Windows up, and with an optional extra (around £100) air-deflecting mesh in place, there is barely enough draught at modest speeds to ruffle the hair.

A hard top that fits over the folded-down hood during winter months will be offered

On the return leg, I drove a

Peugeot expects to sell around 1,000 of the 306 soft-tops a year in Britain

1.8-litre cabriolet. It lacked just a little of the bigger car's muscle (103hp against 123) but was just as enjoyable, cornering as capably and riding the bumps a shade more comfortably than the squatter-tyred two-litre. Curiously, the less-powerful model has slightly higher gearing, but it drives just as flexibly at low speeds.

Mainland European buyers will also be offered a 1.8-litre cabriolet with automatic transmission. But Britain - initially, at any rate - will get only the two-litre manual, which arrives in May and is likely to cost about £17,000. Peugeot expects to sell 1,000

a year in Britain of the 306 cabriolets. Some will be bought by people who might otherwise have gone for posh Escort, Astra, Golf, Renault 19 or Rover 220 soft tops.

But Peugeot also has the upmarket BMW 3-Series and Audi 80 convertibles in its sights. And the 306 - especially when topless - looks so seductive that the 1,000 a year forecast might turn out on the low

side if the UK has a few decent

The day before visiting Sharm al-Sheikh in the 306 cabriolets, I drove a new 1.6-litre Peugeot 106 Griffe from Aqaba in Jordan to Petra. (There, I swopped it for a sure-footed little Arab grey to ride down the narrow gorge to the ruins of the ancient city.

Emerging to see the rose-red Nabbatean treasury glowing theatrically in the sunshine was everything I had imagined it would be - a moment of sheer magic).

Driving north up the main highway from Aqaba, the Griffe flew past articulated lorries groaning uphill and creeping cautiously down. On the sinuous minor road to Wadi Musa and Petra. I found it urbane and entertaining.

For the return leg I tried the latest version of the sporty 106 XSI, 1.6-engined like the Griffe but with five more horsepower (95 against 90) and firmer sus

On balance, I preferred the Griffe. It had all the handling and road-holding anyone could use responsibly on public roads, plus the ride comfort of a much larger car.

Aware that Griffe and grief sound the same to Britons, but have different meanings, Peugeot will call the new luxury 106 the Gentry when it arrives in September, priced between £11,000 and £11,500.

The XSi, due in the UK in June, will be just under £11,000.

■ A feature of the PSA/Fiat multi-purpose vehicles, the Peugeot 806 among them, unveiled at Geneva show (this column, March 12/13) is a gear lever protruding not from the floor but the fascia. Its movement is exactly the same but the floor is left uncluttered.

Having tried and liked it in a new Peugeot Boxer light com-mercial, I think it could start a new fashion. Or, thinking of the Renault 4 and Citroën 2CV. which had something similar it might revive a very old one.

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He spoke in disarmingly simple terms. "This country has The survey will review the taxation system worldwide and examine the four million employers. Just challenges it will face in 1994 and the implications for the international imagine if every one of these business community. The survey will reach an estimated international were to create one new job. We can solve the problem of unemreadership of 1 million. ployment," he told a television

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FT Surveys

Men who change gear

Many can't wait to throw off their dull weekday attire, says Paul Keers

t is only at weekends that many men feel they can dress as they choose. Professional dress is so proscribed that there is little scope for individuality during the working week. But at weekends, men reveal a little more about their personality in the way they dress, whether it is to play sports, play with the children - or

play the peacock. Michael Naylor-Leyland, 37, is executive assistant manager of The Lanesborough, the luxury hotel on Hyde Park Corner, in central London. His working days are spent in formal morning dress - not the ideal for someone who admits: "I like eccentric clothes, and I've always worn fairly odd things." So at weekends, a sartorial butterfly emerges from this professional chrysalis.

At the centre of Naylor-Leyland's off-duty wardrobe are more than 20 waistcoats, collected over the years. "I've got velvet, beaded, striped, even Regency double-breasted waistcoats," he says. Several come from Tom Gilbey's celebrated Waistcoat Gallery. "The great thing is that, along with a splash of colour, waistcoats give you a couple of extra pockets."

The names in his wardrobe are well-known for their colourful menswear. A purple cashmere jacket is from Jasper Conran, another, in Prince of Wales check printed with purple roses, is by pop-star designer Stephen King. Naylor-Leyland used to like the extravagant creations of Scott Crolla, and enjoys the "wonderful waistcoats and jackets" of Richard James. All are designers of bold, vivid clothes; even when it comes to jeans, his favourites are

bright red, from Replay. He likes to wear polo-neck shirts, in red, black, white or purple; comfortable and casual, they can also look "faintly formal" worn under a jacket, "I never wear a tie in my spare time except under duress." he explains. "I was probably hanged in a previous life." And because he does not wear them for work, even his suits can be idiosyncratic, like one from Katharine Hamnett

G&H

Right down to his shoes, Naylor-Leyland exhibits a colourful individuality, at odds with his professional appearance. His favourite footwear is a pair of cuban-heeled cowboy boots, bought when he spent a year in Brazil. "They were practically a uniform out there, and they're just incredibly comfortable once you've worn them in "

In the UK he seeks out classic Frye cowboy boots, and recommends "a pleasant shop with an unpleasant name" - R Soles, in London's King's Road. He has also indulged in "several pairs" of woven Turkish slippers by interior designer Nicky Haslam. And he still wears the light slip-ons in purple suede which Johnny Moke, a King's Road shoemaker, made for his wedding. Only his socks, it seems, remain in the traditional male palette of black or blue. Socks, he says,

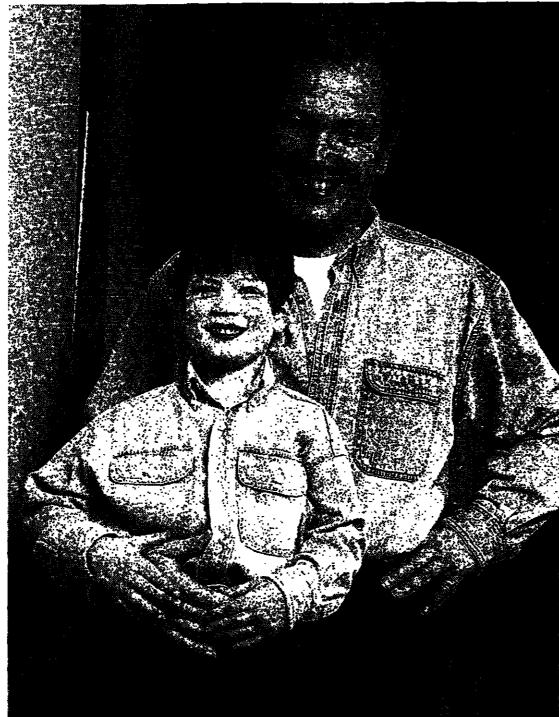
are unimportant. Francis Hazeel, 49, is a property banker, who runs a German mortgage bank in the City. His work attire is exactly what one might expect, a traditional striped shirt and suit. Hazeel says, it is "not so much a uniform as the right thing to wear in respect of one's clients as much as one's self". But in dressing for the weekend, he completely rejects the equivalent traditions in British casual dress.

"A lot of my friends eschew the Tattersall check, woolly tie and cavalry twill point-to-point look, and I totally reject that look," he says. "It's for criminals and country solic-

Instead, his off-duty clothes tend to be American and selected on the basis of practicality.

"As soon as you become a parent, it affects your wardrobe," explains Hazeel, father of boys of 4% and 10 weeks. "Basically, my weekend style, which I would describe as halfway between preppy and grunge, is based on the idea that it's going to get chucked upon.' Like many men, Hazeel gets

everything from The Gap. "It's a one-stop shop, well-priced and the colours are wonderful," he says. "I "which has baggy trousers and a can find everything in that spec-jacket which is almost a frock trum of denim blue, navy blue,



Francis Hazael with his elder son: he tends to select American clothes on the basis of cracticality

grey, and chino tan. My Gap blue denim shirt is probably my most favourite posse

The taste for Americana runs throughout his weekend wardrobe, from Bass Weejun loafers in black and brown and Levi 501s, to fly-button chino trousers bought from Banana Republic in the US. "They're all very sporty, easily serviceable clothes, extremely practical but stylish. Cotton, linen and denim is really the style of the

1990s, and I find the American style, particularly Gap style, is more daptable and certainly smarter than British country clothes. I only hope - no, I'm sure, my wife confirms it - I don't look like an Ivy

League jock. He does have some smarter weekend clothes, for those times "after 7pm, when parents have to come out of their chrysalis". There is a tartan, wool jacket from Harvie & Hudson, and ties from the Royal

Academy. Its shop sells a striking selection of artists' designs.

"When my casual clothes get shabby, I keep them for painting in," he insists. "Cleanliness is still the gentleman's great motto; a clean mind, clean body and clean

Neil Duckworth, 38, is managing director of Tag Heuer sports watches in the UK. During the week, he's "forced to wear tailored



the sporty style which, he feels, reflects his true character. "I play a lot of tennis," he says, "and I'm always getting changed in and out of sports gear, so I want weekend clothes which are hassle-

A lot come from Henry Cotton, a label which has the combination he likes of outdoor styling, ease and comfort, and good quality construc-tion. They also, he says, have no ostentatious or overt labelling.

"I don't consider myself labeloriented," he explains, "but labels do help when it comes to shopping. And I do like brands which, like my own, have an authenticity to them." Duckworth almost invariably

chooses clothes in greens and blues, the colours at the centre of the Henry Cotton "country and coast" palette. But he livens his outfits with a dash of colour, like a red T-shirt, or a shirt from Sam Browne in Fulham, "a little more trendy" than most of his clothes.

Naturally, he switches his watch at weekends, from the stylish steel and gold Tag Heuer chronometer he wears during the week, to a more brown leather strap "which looks more casual and trendy. A watch is part of a wardrobe, and should be businesslike or sporty to match the rest of your dress."

The expires o

Weekend trousers tend to be jeans, from Emporio Armani, "because smart jeans like those will go with anything, from a trendy top, to a smart shirt and blazer for lunch." And with the same kind of versatility, footwear is Timberland boat shoes, in brown or blue.

For smarter weekend occasions, he has two jackets from Gieves & Hawkes. One is a classic blue blazer, the other, "a bit more of a blaze of colour", a sports jacket in a combination of yellow and green. In both cases, he prefers the classic style of Gieves & Hawkes. "My physique just seems to suit a more traditional cut." he says. "Or perhaps it's my age..." And beneath, he wears button-down shirts from Ralph Lauren, "not cheap, but really very nice material".

It's not a huge range of clothes but, he says, that is deliberate. "T don't want an extensive wardrobe, he says. "It's the weekend. I don't want to have to think too much."

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Simple and so chic

Lucia van der Post finds hats to turn the classiest heads



Patricia Underwood's hats in the summer of 1985. I remember it because I wanted one of her soft, floppy, "wilting-rose" straw hats so badly I almost took out a bank loan. That tells you a lot about Patricia Underwood's hats. Firstly, that they are dangerously desirable and secondly that they cost wicked amounts of money.

She has, more than any other hat designer, developed a personal style that is instantly recognisable. The style revolves around the finest, softest of straw or crinbraid which is crafted into shapes and lines of the utmost simplicity. She is to hats what Armani is to the unstructured jacket. But all that artlesslooking simplicity requires dedication to the craft of hat-

There is no hint of excess or decoration on Underwood's hats. Understated, simple, effortlessly classy, they never shout louder than their wearer. Nobody . . . (well perhaps that's a bit sweeping, I've just remembered Dolly Parton) ... almost nobody, could look vulgar in a Patricia Underwood hat. If that makes

first became aware of them sound puritanically austere let me assure you that they are among the most flat-

tering of hats. Flattery is, in my view, a hat's most important function. The magic lies in the most sub-tle, most refined sense of line and proportion. Patricia Underwood's unadorned, hand-made, hand-finished hats rely on shape, colour and proportion, not fancy trims and artificial flowers, for their effect. Great skill goes into finding the line and the shape that give the

face its most beguiling frame. Her personal style is founded on simplicity - on the day I interviewed her she was wearing a navy-blue Jil Sander suit, navy-blue silk shirt, almost no make-up and one of her own fine black straw hats.

She evolved an approach to headwear as part of a woman's look and personal style rather than a distracting ornament. Her hats have a modern cerebral quality about them. These are hats to please the most up-to-date and liberated of

She believes that: "Hats create amazing possibilities. One cannot be neutral in the presence of a hat. It sends a mes-



design of a hat. I consider what that message might be." Just listen to Michael Malone, an American author, writing about the hats of his youth: "In the 1980s, to my delight, America rediscovered the romance and power and sexiness of hats. The brown hat of Indiana Jones said danger and adventure just the way Bogie's hat said danger and mystery years ago. I've long since lost (my) long-loved Yan-kees cap, and the cowboy hat with the red trim. But I remember how they made me feel Like the movies, they had that magic to tell us who we

Patricia Underwood is full of wise advice on how to choose one. "Our grandmothers never needed advice on how to wear a hat. It was part of their daily lives which they understood

instinctively. "Today there is a new young generation which does not associate hats with churchgoing or eccentric aunts or grandmothers and they are discovering, and, in some cases, re-discovering, themselves in hats. The trick is to find the pleasing relationship between the width of the cheekbone and the top of the hat - this is a matter of visual judgment.

"A hat is part of a woman's style and therefore it must match the mood of her clothing - for this a full-length mirfor is necessary.

"When choosing a bat to go with a printed fabric always choose it in the least prominent colour. If you look deep



colour fabric there are nearly always other muted colours and shades. Choose one of those and the fabric will be Underwood adds: "Few faces

are perfectly symmetrical. When putting on a hat, never wear it absolutely straight - a subtle, but I really mean subtle, little tilt will integrate it with the face."

Although her hats are simple, they do change and evolve. Some of her newest designs are photographed here.

For this summer there are baby bonnet shapes in finest crinbraid. There is a subtle but simple almost 1920s-style cloche. There are finelystitched suede berets and some of the newest combine knit and straw or crinbraid - some have knitted crowns, others knitted brims. Prices range from £120

Browns of west London stock Underwood's hats and are

to £350.

offering 50 readers a chance to share high tea and hat talk with Patricia on Tuesday May 17. from 6.30pm to 8.30pm. She will be discussing hats for the high summer season with Ascot particularly in mind. Tickets will go to the first 50 readers who send a cheque for £20 made out to The Teenage Trust (a charity that helps teenagers with cancer, registration number 1009984) to Janet Fischgrund of Browns Press Office, Browns, 23-27 South Molton Street, London

Anyone wanting to know even more about hats might like to obtain The Hat Book, designed by Rodney Smith and Leslie Smolan (\$25, published only in the US) by Nan A. Talese, Doubleday, Carbone Smo lan editions).

The World's Finest Men's



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FOOD AND DRINK

احكنا من الاحل

The excitement lives on in Soho

ehind me, in the immaculately tended square, the plane trees swayed and the beds were full of newly-planted flowers. To the left stood a former private house and a garden with a mulberry tree under which Dickens wrote A Tale of Two Cities. Ahead lay three small streets teaming with restau-

The scene was reminiscent of an old quarter of Brussels, Paris or Strasbourg perhaps. But I was in Soho Square, central London - an area more usually well-known for its porn shops - and the restaurants of Greek, Frith and Dean Streets

When I bought the lease on my Soho restaurant L'Escargot in 1980 - I could not afford the freehold (£150,000 for 5,500 sq ft) - there were two reactions. First, I was told that no one would come because it was difficult to park and, second, if I survived I would make no money as I would have to pay too much protection money to racketeers. I never met a racketeer and within a few years it became difficult to park all over central London.

Since, Soho has been down. up, down and is now on the up again. Such fluctuations are dangerous because they can produce the large rent rises as one chef pointed out rents never go down - that closed many businesses in the late

For the restaurateur, Soho is a good trading location. There is considerable lunch business, albeit much more price sensitive than it was in the 1980s, and in the evening the potential for three types of dinner bookings - pre and post-theadine out in a lively area. Agen-cies for chess and kitchen supply shops are there, too. And it is also a popular area if you just want a drink.

But Soho has changed. I have never seen the streets and pavements so clean. According to Alastair Little, who has run his own restau-rant in Frith Street for nine years, Westminster Council provides three rubbish collections a day. (This is not altogether good news for a restau-rant critic because the number

Nicholas Lander finds adventure in a central London area with a past

of rubbish sacks waiting for collection used to provide a reliable sign of just how busy a restaurant was.) There are still beggars and drunks on the streets but no more than in any other major European city. Soho is no longer the gastronomic island within London it used to be - the sole source of Mediterranean ingredients, raw and prepared, to which Elizabeth David, Jane Grigson and their readers hurried in the 1950s and 1960s. Hamburger Products and Bifulco's, the Italian butchers, have long gone and, according to fishmonger Dave Richards on Brewer Street, the wet fish business is not as good as it was. Yet Camisa and the Algerian Coffee Stores prosper on Old Compton Street and on

Brewer Street, Randall and Auhin has been renovated and has broadened its stock. But now that fresh pasta, tre and those who just want to anchovies and peppers are

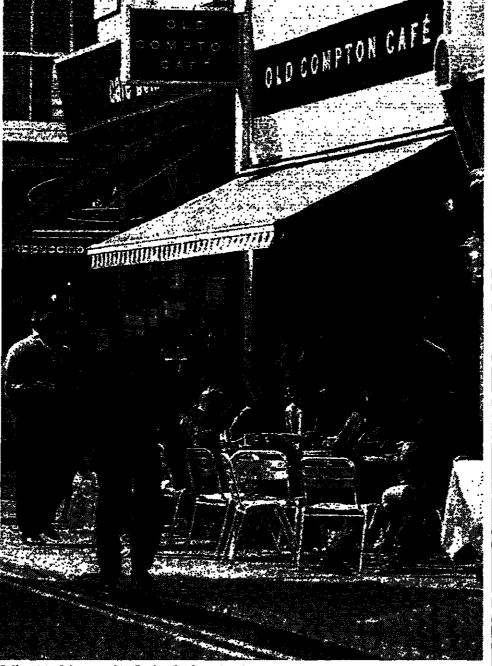
available in delicatessens and supermarkets around the country there is less reason for many people to make the trip into Soho. In other London bor oughs and other parts of the country the standards of cooking have improved and chefs who learnt their craft in Soho now make their names elsewhere in the capital: Adam Robinson at the Brackenbury, Shepherd's Bush (081-748-0107), and Martin Lam, at Ransome's Dock, Battersea (081-223-1611).

But where Soho still impresses is in the diversity of it restaurants and the breadth of its appeal.

For those who remember it from their youth there is the Gay Hussar (071-437-0973) with Elena Salvoni serving on the first floor as she did at Bianchi's in the 1950s, the redesigned Au Jardin des Gourmets (971-487-1816) and L'Epicure (071-437-2829) virtually unchanged from the 1960s when it was prime minister Harold Wilson's favourite restaurant.

For those still in their youth Old Compton Street beckons. The number of coffee houses and bars that this street seems capable of supporting is astonishing - Café Bohème, Caffé Nero, Café Beta, the Sobo Brasserie, Bar Sol Una, Balhans and Village Soho as well as the long running Bar Italia in Frith Street. For those who can think, drink and listen to loud music The French House (071-437-2477), Dean Street, is a valuable addition.

Today, however, there is a new dimension to the gastronomic excitement long associated with Soho. Within 300 yards, along Frith Street, Alastair Little (071-784-5183), Anthony Worall-Thompson (Dell' Ugo 071-734-800) and



Café society, Soho: a great trading

Bruno Loubet (Bistro Bruno 071-734-4545) sharpen their knives. Further down are two good Thai restaurants, Bahn Thai (071-437-8504) and Chiang

For these chefs Soho's culi-

nary attraction lies in its proximity to Chinatown. Little had just popped down there for some large red chillis which he would grill for a chilli salad.

beans, ducks' tongues, Chinese chives and spices.

Soho in the 1990s still provides food for the adventurous in a location with a frisson of

Appetisers/Jancis Robinson Decent fizz for a tenner

he rules for making sparkling wines vary from region to region but, typically, stipulate a minimum time for ageing the wine on the lees. Those for champagne now insist on at least 15 months, but research shows that it takes at least 18 months for this process to have any perceptible impact on flavour by rounding out acidity and

adding complexity.
It is almost impossible for the consumer to establish how long a bottle of non-vintage fizz has been aged on lees, but Laytons of London NW1 (071-388-5081) has managed to track down an unusually respectable champagne for £9.95 which, it claims, has benefited from four years in

Laytons Champagne Brut NV, available from Laytons and Andre Simon shops in London, certainly tastes mellow for reasons of age rather than added sugar. This is more than can be said for most champagne under a

Meanwhile, in my swoon over vintage madeira earlier this year, I forgot to mention that Bottoms Up - most unusually for a high street retailer takes this exciting style of wine seriously.

The chain's exceptionally attractive list boasts no fewer than five examples, including the first-class Blandy's Bual 1954 at £65.

Probably best value is Rutherford & Miles' Malvasia solera 1863 at £39. The unit price might seem high, but

which will last in an opened bottle for months and months.

London wine lovers have three important consumer wine fairs to choose from on Saturday, May 14. The organisers are taking advantage of the annual influx of wine producers to the London Wine Trade Fair the following week. Wine merchant La Vigneronne's Alsace Wine Fair takes place



between 11am and 6pm in the Sherfield Building of Imperial College, off Exhibition Road, London SW7. An entrance ticket costing £15 (from 071-589-6113) allows tasters 15 tastes and further tasting coupons are on sale.

The Great Australian Wine Tasting is from 11am until 5pm in the Old Horticultural Hall in Grevcoat Street, London SW1. The £12 cost of tickets (from 071-925-0751) can be redeemed on orders of £75 or more taken at the fair and there are no restrictions on grog intake. At the end of the LWTF week, some winemakers will be staying on for the Oddbins Wine Fair at the Park Lane Hotel on May 13, 14 and 15. Charity tickets are £10 from any Oddbins branch

Philippa Davenport makes an alternative to pudding for an Easter lunch and Nicholas Lander spends an afternoon making chocolate truffles

Taking the eggs out of Easter

greeting ĎΨ replaced "Christ is risen" as children crack their hard-boiled eggs against those of their companions in a spring-time version of

In Britain, eggs tend to be soft-boiled for serving at the Easter breakfast table. For years, though, I had a childish horror of fresh eggs cooked lightly. Growing up at a time of rationing when powdered eggs were the norm, I was repelled by the sticky yolks and semi-jellied whites of

soft-holled eggs. One memorable Easter, I went to a tea party at the house of some friends where, with leaden heart, I saw the table was laid with an egg cup and spoon at every setting. "A special treat," our hostess smiled as we sat down and the eggs were brought in. My misery deepened when I realised there was no bread and butter on hand to blot up the worst excesses of eggy liquefaction.

into the beastly thing. I raised my spoon and bashed the shell ferociously, hoping to spill some of its contents. What blessed relief to find the egg was not really an egg at all. It had been blown out and refilled with melted chocolate.

Although it was a harmless, sheep in wolf's clothing type of

'I raised my spoon and bashed the shell ferociously'

prank, it was the sort of surprise I prefer to live without. In fact, I have been nervous of Easter eggs ever since - unless they are made by Fabergé. I offer you, instead, an undisguised and egg-less chocolate confection.

CHOCOLATE & PRUNE PETITS FOURS (makes about 16) These are fiddly to make and not worth attempting by the

These are the eggs to eat at Easter.

JERRY LLOYD, DEPT. FT. THE CAUSEWAY, HORSHAM, WEST SUSSEX RHIZ IHC.

the eggs that it contains are almost certainly

tions or misleading phrases like 'Country

Fresh, 'Farm Fresh' and 'Naturally Fresh.'

to endow rustic charm to a process that is

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It's time the chicken

came before the egg.

peither rustic, nor charming.

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hous, we would like you to put Barn or Free

are laid by hens that have the freedom to

that enjoy the freedom of a hen-house,

but have the added benefit of access to an

outside run, if an egybox doesn't specifi-

cally say 'Barn,' 'Perchery' or 'Free Range,'

Range eggs on your shopping list too.

see you cating this Easter.

I had no choice but to crack impatient or those in a hurry. But they are unusual. One or two per person makes an attractive alternative to pudding at the end of a fine meal. served with coffee and perhaps brandy or port.

To mould the chocolate shells, you will need some small fluted paper cases of the sort sold by kitchenware shops and some hardware stores for making mini-muffins, chocolates and other confectionery. For the chocolate shells: 5oz

best bitter chocolate; %oz unsalted butter. For the filling: 60z big squashy prunes; 1%oz sultanas; 1%oz currants; 3 fl oz or so each of port and water, 1 tub crème fraîche or clotted cream; a little cocce powder.

Put the dried fruits and liquids into a flame-proof casserole with a heavy, well-fitting lid. Bring very slowly to simmering point. Cover and cook over the lowest possible flame for one hour, stirring occasionally, until the fruit is very tender and has absorbed most of

the liquid. Set aside, still covered, for



HELLO ... I'M ... I'M A CHOCOHOLIC.

11/2 hours until cold. Then, stone the prunes, whizz all the fruits and their juices to a rich dark pureé, and refrigerate. Dice the chocolate and melt it with one teaspoon of warm water in a bowl placed over a pan of barely-simmering water. Away from the heat, beat in

Using a teaspoon, line the paper cases with chocolate, smoothing it across the base and up the sides right to the top. Spread it thickly: a good ratio of chocolate to filling makes for good eating, and stout walls are less fragile and easier to un-mould than thin

> have set solid, fill and unmould them. To guard against the chocolate softening messily in the warmth of the kitchen or the heat of your hands, take the shells out of the refrigerator just one at a time, work on each one quickly, and put it back in the fridge before starting on the next. Do not full is better than brimfull.

ones. Chill on a plate.

When the chocolate shells

overdo the filling: two-thirds Spread a small spoonful of the rich, dark prune pureé across the base, add a snowy covering of cream, and shake a pinch of cocoa powder over the top. Strip off the paper carefully, loosening it round the rim and peeling it downwards.

Keep the petits fours in the fridge until you are ready to serve them, and hand them round on the chilled plate on which they have been

■ Green & Black's organic chocolate, made with 70 per cent cocoa solids, dark and agreeably un-sweet, was an instant hit when launched a few years ago. But it was difficult to buy unless you lived near a health food shop. Now, it has reached the supermarkets; it is available at Safeway and Sainsbury, with Waitrose and Tesco to follow soon.

Just in time for Easter, Green & Black is bringing out another chocolate that looks set for success. Again made with 70 per cent cocoa solids, this one is called Maya Gold and is flavoured with orange, vanilla and allspice.

Maya Gold is, moreover, the first product to go on sale bearing not only the Soil Association symbol but also the mark of the Fairtrade Foundation in recognition of Green & Black's long-term trading commitment to the Maya Indian cocoa growers of Belize. Launch stockists are Sains

bury, Tesco, the Co-op and Asda. A 100g bar costs £1.95.



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Truffles to covet

a new type of injury. But it is with equal amounts as and pleasure that I have to draw readers' attention

to "truffle elbow". This self-inflicted malaise has been creeping up on Sara Jayne's right elbow for 12 years, ever since she made her first chocolate truffles for a dinner party.

Since then her love affair with the chocolate truffle has grown, as has her expertise with the chocolatier's most difficult task - tempering the chocolate. But the excitement, and challenge, of making delicious hand-rolled truffles, with flavours such as lapsang souchong, calvados and coffee

beans, still remains.

Jayne managed to obtain some expert advice from such eminent pastry chefs as Michel Roux, whose recipe she still uses, John Huber, principal pastry lecturer at Thames Valley University, and Ian Ironside, now head pastry chef at the Gleneagies Hotel, Scotland. But she confesses that during the initial four years she made some mistakes. In 1989 she found a factory and with two staff was doing well until January 1991, when the recession struck. With only two orders in one month, she decided to bring the business back to her small domestic kitchen in

Clapham, south London. Jayne had been shown by a master chocolatier how a top-of-the-range microwave could melt the chocolate to the right temperature in seconds - but this was not for her. Instead, everything was done in spot-less stainless steel pans, the chocolate melted over a giant heavy-bottomed roasting pan that acts as a bain marie.

It is the subsequent enrobing process which Jayne believes has brought on truffle elbow. PD | Her recipe below gives the "easy" option of coating the truffles in cocoa powder. But for the finest truffles this will

More couverture chocolate has to be melted to exactly the right temperature (31°C). Then, grasping a dipping fork gently, lift the truffles and dip them in the liquid chocolate to eurobe them, avoiding the appearance of small air bubbles on the chocolate's surface. This contimuous dipping process is the cause of truffle elbow.

Jayne's criteria for making the finest chocolate truffles included the best ingredients (Cacao Barry couverture chocolate from Ritter, 081-908-7177 or Valrhona, available at many delicatessens) and the best quality piping bags and dipping forks from Keylink, Roth-

erham, (0709-550206). Then in order of importance came practice and patience – it

t is fortunately very rare takes her an hour to box and and she has recently ordered her 200,000th petit four case.

> SARA JAYNE'S BASIC CHOCOLATE TRUFFLE Ingredients: 11b bitter couverture chocolate: % of whipping cream, preferably Devon; cocoa powder to dust or couverture chocolate to enrobe.

Break the chocolate into tiny pieces and put into a large bowl over hot water (off the flame). Cover tightly, stirring occasionally until nearly

In a saucepan bring the cream to the boil and then pour into the melted chocolate and blend thoroughly. Leave to which will take a few hours.

chocolate mixture until the consistency of softly whipped

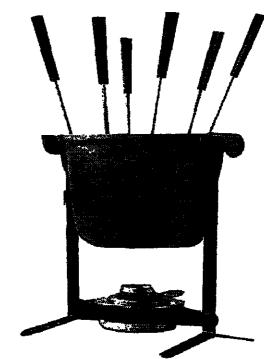
cream - not too hard or it sets. Spoon this mixture into a 14in piping bag with a half inch nozzle and pipe small amounts on to a tray of waxed paper or cling film. Refrigerate for about one hour.

Sieve about 8 oz cocoa powder into a large bowl. Ease the truffles one at a time off the baking sheet and roll in the cocoa powder, dropping them gently into petits four cases.

Keep refrigerated. Sara Jayne's truffles: £17 per lb (inc post and packing) from 517 Old York Road, London SW18 1TS. Tel: 081-874-8500.

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& LE CREUSET

Death is outwitted by gods reborn in spring

churches around the world, millions of men and women will celebrate the resurrection of Jesus Christ. They will rejoice - in the words of the Apostles' Creed - in the historical figure who "was crucified, dead and buried. He descended into hell. The third day, He rose again from the dead. He ascended into heaven, and sitteth on the right hand of God the Father Almighty."

Tomorrow, children will open their Easter eggs. flowers and, in some parts of Europe, bonfires will blaze. But twist into branches and curl

omorrow, in thousands of Christian skull". The churches were dim. the altars bare, the priests wore black, the hymns were melancholy and despairing.
This is the wasteland, where

> death is the end and even God dies, slain by human ignorance. At this darkest point in the ceremony, the cross becomes the focus, for this instrument of death now appears as the Tree of Life. In early Christian iconography, the cross is often depicted as a tree, both cut and budding, with lopped-off branches

and green shoots, as in the

13th century Evesham Psalter

Cross. In Byzantine art, crosses

Jules Cashford and JDF Jones examine the many celebrations of rebirth at Easter

we might choose to remember that, far more than 2,000 years ago - long before the birth of the same time of the year countless people celebrated the re-birth of their own particular

They believed there was not just one god but many - or, rather, many different names for the same one. In Bronze Age Sumeria, around 2,500 BC, they called him Dumuzi; in Babylonia, Tammuz; in ancient Egypt, Osiris. Later, in Phrygla, he was Attis; in Canaan, Baal; and, in Greece, Dionysos and Adonis. All of these gods died and descended into the

It happened to "goddesses" too: Inanna in Mesopotamia and Persephone in Greece. Many stayed there for three days; some for three months. Then, they were rescued. Death variously was outwitted, cheated, forced to barter, even killed. Life won a respite, an exchange, a deferral, a victory. was only temporary.

Can we be surprised if these celebrations of rebirth over the millennia of human history always take place in spring? Yesterday, on the holy Friday Christians call "Good", millions mourned the death of the son of God, crucified on a cross

over into sprays of flowers. Rarely are they the distilled abstractions of later Protestant

in the third century, Helena, mother of the Roman emperor Constantine, travelled many lands in search of the true cross. In legend, this was made from the Tree of Life which stood in the centre of the Garden of Eden, at the source of four rivers, and granted

Standing in counterpoise to

the Tree of Knowledge, the cross, as the Tree of Life, thus redeems the fate of Adam whose skull became the skull at Golgotha, burying Death. In the magnificent 16th century mosaic at the Church of San Clemente in Rome, death and resurrection are portrayed in one image. Christ stands against the cross as the trunk and branch of the Tree of Life, its joyously-spiralling leaves extending into the universe. The cross is the Cosmic Tree at the centre of the world. For Christian doctrine, the symbol of the cross as the Tree of Life is entirely intelligible within

its own tradition. Yet, these are universal symbols, far more ancient than Christianity, and their recurrence in the myths and folklore of the world is arresting and fascinating. Osiris of Egypt



Murillo's The Resurrection of Christ

was imprisoned by his wicked brother, Seth, in a coffin. It was thrown into the Nile but was washed ashore and came to rest inside the trunk of a tamarisk tree. He was released from the tree, dying again and then being re-born, and a pillar of wood with four crossed branches - the Died column was raised upright as the sign of his life everlasting.

Adonis (the name Adonai means the Lord) was born from the myrtle, and anemones rose from his blood: Dionysos was dismembered as the grapes from the vine, wreathed in the ivy that is ever-green. Phrygian Attis was tied to a tree of pine. Even the Buddha attained his supreme awakening as he sat in meditation beneath the Bodhi tree. Originally, the symbolism of

the cross was a not a solar but a lunar image, inscribed on neolithic pots as the four quarters of the moon, our first source of measurement - an image of change and change-lessness, time and eternity.

Transferred to the earth and the solar year, the four points of the lunar circle become the four directions of the universe, the four cardinal points of the zodiac (the equinoxes and solstices), the four seasons of the temperate climates, even the four phases of the day. In other words, an image of totality in time. Symbolically, the cyclical waxing and waning of the



moon's light offered an image sephone returned to her Harof transformation, for in its vest Mother, Demeter, Inanna. perpetual return to its own naked in death but sprinkled beginnings it unified what with water, put back her seven apparently had been dismembered. The moon "died" and upper world. And Jesus, of yet rose again out of the dark. course, also descended into hell for three days before his All over the world, and throughout a host of cultures. resurrection

gods, goddesses, heroes and heroines "died" during the Many, if not most, of the world's religious calendars are three days when the moon vanlunar in origin and, for Chrisishes. They went down into the tians, the drama of the moon's cyclical phases remains reflected in the timing of underworld (like Inanna of Sumeria), or into the belly of Easter to the first Sunday after the whale or of the dragon (like Jonah in the Old Testathe first full moon following ment, Jason of the Greeks, the spring equinox. Raven of the Eskimos), or Significantly, the rites of were, like Joseph, thrown into

Christ's incarnation are governed by the solar calendar and fall on fixed dates, since

they are connected with the birth of the sun (Christmas at the winter solstice, for instance, where Jesus takes over the role of Sol Invictus from the Roman god Mithras). By contrast, the Easter rites of his death, resurrection and ascension are governed by the lunar calendar, because of the images of death and rebirth in the waning and waxing of the

Easter was named in the middle ages after the Saxon goddess of the dawn, Eostre, whose feast was held at the spring equinox. Her sacred animal was the egg-laying moonhare, which gives us our Easter eggs. So, the underlying language directs us continually

of the sun from the dark of the night, the ascendancy of the light of the new year over the darkness of the old, and the full moon as the sign of the resurgence of life over death. And, finally, the cross is transformed from the Tree of Death into the Tree of Life at the time when all nature buds from an invisible source.

Perhaps the drawing of parallels, in symbol and ritual between Christianity and other mythologies might not have to be greeted, so many centuries later, with cries of outrage and apostasy from the literalists. Christian theology is, under standably, committed to the premise that earlier rituals were only anticipations of the coming of Christ who was their apotheosis. Inevitably it interprets other traditions in this

light. But the Christian Mystery need not be reduced merely by virtue of its resemblance to other Mystery religions. Why need its participation with other traditions in a common store of wonder and worship diminish its own unique reality? Could it not rather be met with delight - even awe - that so many of the world's people. have experienced the divine in a similar way?

When, for instance, Mary Magdalene first saw the risen Jesus, she took him for the gardener – an image that would have been familiar to Mesopotamians, for whom Dumuzi-Tammuz was known as the gardener in the garden of life. When Mary, the mother, and

Mary Magdalene are shown sorrowing on either side of the cross, they can be compared with the sisters mourning Osiris. And, as the Djed column was raised in ancient Egypt after the Nile's life-giving inundation, the people cried "Osiris is risen" just as, tomorrow, we proclaim: "Christ is risen."

Why, though, should either festival be lessened by comparison with the other? And, more than this, might not our own celebration - with our advantage of the knowledge of both - be enlarged by an awareness of the other? Not least on the ground that one way of loving our neighbours is to include their humanity within our

The Nature of things/Clive Cookson

Unravelling the prehistoric codes

genes, brought to life so spectacularly in the Jurassic Park film, is beginning to transform

archaeology. will remain a fantasy for the foreseeable future, researchers

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are already extracting and identifying DNA from materials thousands of years old

The results will contribute a wealth of information about human history over the past 10,000 years in three main areas: people's evolution and migration patterns; their agri-

and sickness in ancient societ-

Research findings illustrate the potential of genetic archaeology in each area. Human DNA has been extracted from prehistoric

bones found in Polynesia, by Erika Hagelberg of Cambridge University.

Comparing the occurrence of one particular genetic mutation among the ancient and modern inhabitants of the region, she concludes that the islands of the central Pacific such as Samoa and Tonga were probably first settled about 2.500 years ago by people moving west from the Melanesian archipelagos; this contradicts the traditional view that Polynesia was colonised directly from south-east Asia.

Many of the puzzles surrounding prehistoric migrations and settlement patterns such as the movement of people north-westward through Europe and southward through America - will be solved by a systematic analysis of ancient DNA from archaeological sites. combined with tests on contemporary populations.

Wheat DNA has been iso-

lated from charred grains found at Danebury, an Iron Age British hill fort, by Martin Jones, another Cambridge archaeologist. His group identified part of a gene linked to glutonin, a key protein which helps to determine the breadmaking qualities of the grain, and compared it to modern wheat varieties.

Such research will provide fascinating information about ancient foods. But tracking the genetic patterns of crop plants and domesticated animals will also be useful for another purpose: to complement the evidence emerging from the human genetic studies about population movements. ■ Tuberculosis DNA from

human remains found in Borneo and Peru, dating from before the first European contacts, has been isolated by Mark Spigelman of the Institute of Archaeology, London, and Arthur Aufderheide of the University of Minnesota. Their discoveries show that the TB bacillus occurred throughout the ancient world. This means that early European colonists dynamics of other important



should no longer be blamed for bringing TB to the New World. Several research groups are now working to find out whether other diseases such as syphilis, measles and influenza were present in pre-Columbian

The study of ancient diseases is proving particularly popular, because the findings will be relevant to modern medicine. Epidemiologists could learn a lot from the ebb and flow of

infections such as smallpox, plague and malaria. Although bones have so far been the main source of bacterial DNA, Mark Spigelman is developing an alternative ancient faeces and guts - in collaboration with Colin and Liz Fricker, two microbiologists employed by Thames Water (who are interested in using the same technology to detect traces of bacterial contamination in water). The team

DNA from material thousands of years old could rewrite history

bacterial and viral infections over the centuries - and their relation to changes in the virulence of the germs on the one hand and in human living conditions on the other. Although TB, for example, was present in pre-Columbian America, it may not have caused serious disease until the colonists destroyed the structure of

indigenous society. Previously, archaeologists had only been able to study slow-acting diseases that leave their mark on human bones, such as leprosy and syphilis. Paleogenetics should enable them to look at the population has just succeeded in isolating DNA from E Coli bacteria in the gut contents of Lindow Man, an Iron Age bog body dated to 500 BC. The discovery opens up the possibility of investigating germs in ancient cesspits, which would give information about community health as well diseases in indi-

The study of ancient genes is still scientifically controversial though most of the dehate centres on reports of DNA fragments extracted from insects trapped in amber many millions of years old. Some experts refuse to accept that the DNA molecule is chemi-

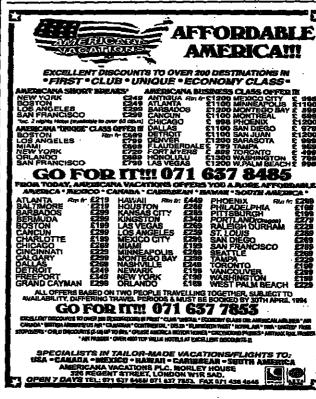
cally robust enough to exist for so long, even if it is sealed in an antiseptic preservative such as amber. They suspect that the "dinosaur age" insect and bacterial DNA extracted by the Californian researchers, George Poinar and Raul Cano, is actually modern genetic material introduced by accidental contamination.

Even the sceptics concede that DNA may survive under exceptional conditions for up to 10,000 years, which covers most of the period of interest to archaeologists. But they point out that polymerase chain reaction (PCR) ~ the gene-amplifying technology used to fish a few DNA fragments out of a sample and make billions of copies for analysis - is extremely susceptible to contamination.

The first results of genetic archaeology will have to be confirmed by independent experiments - by scientists working separately on the same or very similar material before they are generally accepted as valid. But this is unlikely to take long, as scientists are moving rapidly into the field. The prospects are that we will learn more in the next decade about the way our prehistoric ancestors lived than we have over the past

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Children whimpered and hid behind their mothers. Young women giggled and screamed, and, with an innocence inconceivable elsewhere in south-east Asia. dragged the white men off to be photographed alongside them and their friends. They made us bend our legs so as not to appear absurdly tall in the pictures.

Kachin State, in the mountainous far north of Burma, has been closed to foreigners for 32 years by the military junta because of the war between the central government and the guerrillas of the Kachin independence Army.

Now the fighting has stopped and the two sides have signed a cease-fire. The junta decided to allow a group of journalists to fly to Myitkyina, the state capital, and visit

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A rare foray into Burma's far north

Victor Mallet visited Kachin State, an area previously closed to foreigners by the military junta

the remote surrounding area sandwiched between China and India on the upper reaches of the Irrawaddy river. It seems we were lucky. Myitkyina - pronounced Mee-Chee-Na is now said to be off limits again.

We were lucky, too, to catch the end of the manou festival, an animist harvest ceremony of dancing which brings together thousands of merrymakers from the six branches of the Kachin race. It was hanned until last year as a dangerous opportunity for the expression of Kachin nationalism.

Under a structure much like a large maypole, to the sound of amplified chanting and the boom of a great drum hanging from a bamboo frame, the Kachin danced the

men wearing swords, Chinese silk robes of red and gold, and hats made of hornbill heads.

مكنا سالاعل

The festival included a beauty contest, a Burmese pop concert, a fun-fair for children and much drinking of rice wine. It was mainly at the sports-ground, where the fair was held, that we were seized by young women as props for Kachin

The elders, on the other hand, know all about foreigners, having fought for the British and Americans against the Japanese during the second world war.

Christian missionaries from the west also loom large in the history of the Kachin. "We were semi-Neanderthal, we were mountain people.

prosperity. Leading the dance were not civilised," said Zau Nan, an enthusiastic minister at the Kachin Baptist Church in Myitkyina. "We worshipped mountains and rivers and spirits. But by the grace of God, messengers from God came from Sweden and Germany.'

Asked about the festival, he described with gusto the various kinds of manaus. But, steadfast Christian that he was, he refused to accept they were animist rituals designed to appease the spirits.

Christianity is not the only purveyor of foreign influence in Kachin state. Madonna - the pop star, not the mother of Jesus - is portrayed naked but for a few jewels on her nipples in a colour poster adorning the Popa Hotel's restaurant above the railway station.

Sitting at a tea shop in Myitkyipassers-by on their bicycles, horsedrawn carts and army trucks, we heard Pink Floyd's The Wall from the teashop sound system. The local cinema, an upper room of somebody's house boasting a video machine and filled with clouds of cheroot smoke, was playing Indiana Jones and the Temple of Doom, and

Burma's generals, citing the danger of "neo-colonialist plots", still try to keep foreign influences under control. We met a local official in Myitkyina who, we thought, might belp us arrange interviews, but he was given the cold shoulder by the all-powerful military intelligence apparatus. "The MI man is very dis-

A Bridge Too Far.

to anyone', and slammed the 'phone down." This was odd: it was the government which had arranged the trip in the first place.

The generals do have some friends, even foreign friends. As we waited in Rangoon for our flight to Kachin State, we were accosted by a wild-eyed American in the departure lounge. He looked like the kind of person one tries to avoid in Californian fast-food outlets for fear they will suddenly produce a lethal

He was wearing a longyi, the tra-ditional Burmese sarong, and he rounded on us - as representatives of the western media - for the supposedly unfair treatment meted out

to Burma's military rulers in the international press. I could almost have sympathised, but at that moment a resident of Myitkyina to whom we had been chatting idly about life in Kachin State was hauled away for 30 minutes of interrogation for having "spoken to tour-

In the countryside north of Myitkyina, such unpleasantness was all but forgotten. This is a land famed for its jade mines, where much of the forest is still uncut, and where villagers still talk of catching the few remaining tigers and carrying them over the hills to sell to Chinese medicine-makers.

The confluence of two rivers one called the "Useful", because it is navigable, the other the "Useless" which join to form the Irrawaddy. is a popular site for gold panners and a picnic spot for Burmese tourists. The ceasefire has made it accessible. Foreigners, however, are rarely seen. We heard giggles and

Survival is a dogfight for the wild bunch

Wild dogs in Africa may become rarer than the rhino. Michael J Woods tracked them down

pock, like the sound of a tennisbouncing lightly on grass, as the compressed air-gun expelled its tranquilliser dart. The African wild dog sprang to its feet as if it had been stung. With a yelp it dashed off, a red woollen tassel dangling from the syringe in its shoulder.

Mills, and we sat in his truck for the 10 minutes needed for the drug to work. It took a little time to find the sleeping dog in the thick bush, as its black white and tan blotched coat blended remarkably well with the broken shadows cast

on the grey dusty soil. Once located, though, a radio collar was swiftly fitted, a sample of blood taken and the anti-goose den by the roadside and minute the dog was on its feet and had gone to join the rest of Mbyamiti pack, which now had two dogs carrying radio trans-

Gus Mills is a scientist who works in Kruger national park, wait for leopard tortoises to a long rectangular area about cross the track and once

South Africa He has been researching African wild dogs now dogs, also known as Cape consists of just three males hunting dogs,

His subjects are rangy animals with noticeably large rounded ears, three-coloured coats and a height of a little over 2ft.

They are efficient hunters. running as a pack and killing at dawn and dusk if they can, and lying up in shade during the heat of the day. Only for the short breeding period are they tied to a den; for the rest of the year they are nomadic and appear to need a large territory to survive.

There are only about 360 wild dogs in Kruger, the lion and hyena populations both top 2,000 for the same area. All is not well with wild dogs. They have become very scarce in Africa - rarer, some say, than the rhino, which makes them Africa's most threatened large carnivore.

Historically, their undeservedly bad reputation has led to persecution by farmers. Until 20 years ago, they were even shot in some national parks. There are still farmers who will not tolerate dogs and consider them vermin, so that packs straying from conservation areas are at risk.

Only big stretches of protected wilderness will suffice to provide wild dogs with enough space to survive. The national parks in the north of Botswana and Zimbabwe and in the south of Tanzania fulfil these requirements, and contain reasonable numbers of dogs. But these very extensive areas are largely unpenetrated by roads and, for the discerning visitor, for whom a glimpse of a dog is more exciting than any of the big five (lion, leopard, elephant, rhino, buffalo), spotting one is extremely difficult.

Things seem to be slightly easier in Kruger. Finding them by radio is the only way that researchers such as Gus Mills can ensure that packs are monitored on a regular basis, and dogs are often seen by visitors to the park. In fact, Gus was able to use fourist sightings of wild dogs to obtain a measure of the number of animals in the park.
By offering a free film for

dog, he soon had pictures of almost every animal. The dog population in Kruger is one of the densest so far recorded in Africa, and the extensive network of roads is frequently used by packs on the move.

Morning and evening are the best times to look for dogs," Gus told me. "That is when they hunt, for they rest "It won't go far," said Dr Gus in the heat of the day and then their low profile and disruptive coloration make them almost impossible to spot."

Kruger has much to offer in addition to wild dogs. I came across lions and elephants in abundance along with thino and giraffes. Many of the smaller animals, so often missed elsewhere, are visible here, too. I found a dwarf monning activities of its delightful inhabitants as they foraged through the undergrowth and then rocketed across open

areas for fear of raptors. On two occasions I had to the size of Wales on the east- swerved to avoid a chameleon, bright green

against the One pack of rocking its way over the ruts. But it was wild dogs I wanted to see,

and the more questioned Gus Mills, the more mysteries i encountered. Packs, for instance, fluctuate markedly in size, and Kruger's Skukuza pack, which num-bered 40 dogs in 1989, now con-sists of just three males.

Dogs disappear in large numbers for no apparent reason, and bodies are rarely found. This was the reason for putting a collar on a second animal of the Mbyamiti pack, as an insurance against the death or disappearance of the dog already collared.

In Kruger, a wild dog's expectation of life is unusually short - rarely beyond four years (a hyena's is about 15). Gus has heard several accounts of hons killing both adults and pups, and would like to investigate more fully the role lions play in the lives of dogs.

Fortunately, international awareness is growing. The Kruger wild dog study is funded by the National Parks Board and the independent Stuart Bromfield Wild Dog Fund of the Endangered Wildlife Trust. This trust also finances other wild dog projects in South Africa, along with the newly-established Licaone Fund in Italy.

Meanwhile, the International Union for the Conservation of Nature has published an action plan for African wild dogs, so there is considerable hope for the future.

and it wasn't until my last day that I found dogs for myself. The sun was sinking and, briefly, painting the bush a golden green. The insects were tuning up for their evening chorus and the cacophony of guinea fowl was at its loudest. There was a sudden snort from an impala ram in the undergrowth beside the vehicle and he quickly made himself

ing towards me along the road ahead, were a dozen lean dark silhouettes with familiar big round ears. The long legs carrying those lithe bodies

here was a dull every usable photograph of a touched the ground so lightly that the animals almost seemed to float along in a distance-devouring trot. I stopped quickly and the grinning dogs went by. The sun lit them for a second, then they wheeled and melted into the trees - a moment of pure magic.

> ■ Michael Woods was a guest of the South African Tourism Board (London tel: 081-944-8080) and Kruger national park.

He flew from Bristol to Amsterdam with KLM and then caught its long-haul flight to Johannesburg. KLM runs a similar service from 16 UK regional airports, thus avoiding the often time-consuming iourney to London and the two-hour check-in.



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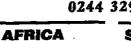
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Cadogan's Place/Gerald Cadogan

he bulldozers ripping up the turf in the sprawling Cotswold village of Quenington, Gloncestershire. have exposed a loophole in plan-

ning rules. Quenington, in the beautiful vallev of the river Coln. is made up of isolated farmsteads with fields between. In 1979, the Cotswold district council gave permission for two bungalows to be build in a field on the edge of the village, as well as conversion of a barn

already there into studios. Soon afterwards, most of the vil-lage was declared a Conservation Area (CA) so the council could keep tighter control on development. The field has CA land on three sides but was not itself included. Work began on the barn - and stopped. Years passed. The villag-

ers continued to enjoy the green

Planning permission that never lapses opponents of the scheme believe 17th century Tythrop Park – listed and a statue of Venus-the government should amend the grade I, with 1,034 acres – is for The present owners permission had lapsed. Not so, it lapses if nothing has been done within five years. But, if the government should amend the law so that permission is revoked work has started, the permission automatically for developments

that are not finished in a specified

When the big house in the village is up for sale, worry stalks the pub. Where will the fete be held? Who will chair the parish council? Or give money to the church? Will the new owner employ as many staff? That is the buzz in Kingsey, on the border of Buckinghamshire and Oxfordshire near Thame, where the

sale from Savills (071-499 8644) for house (almost derelict) with 10 more than £4.5m.

Tythrop Park was built by James Herbert, one of the Herbert/Pembroke family that owns Wilton in Wiltshire. Indeed, the carved elm staircase, which is the glory of the main house, could have come from

Among the motifs of the house, a Boscobel oak alludes to Charles II, a visitor there. Around the stairwell are classical busts, life-size reliefs of Juno and Minerva, portraits of James and Jane Herbert,

The present owners bought the acres 30 years ago - the asking price was £16,500 - and have restored it with love and flair. It remains to be seen if the new owner is as sympathetic - to village as well as house.

If you do not set too high a guide price in a sale, you could get a pleasant surprise. Joint auction Allsop and Savills suggested £425,000 to £475,000 for Hinwick

House, a lovely Queen Arme prop-

this column on March 19/20). The hammer came down at 2590,000 to an overseas ouver.

In the same vein, the £875,000 price from Savills (071-730 0822) for the 1690 Zoffany House, which fronts on to the river Thames at Strande-the-Green in west London - a splendid house in one of the capital's handsomest areas - is £20.000 less than it was two years ago with the same agent.

The house has a blue plaque recording that John Zoffany, a painter, lived there. His studio. now a bedroom, faces north over the garden.

Down-river in London's Docklands. the house of film director David Lean, who died in 1991, has just come to market (also Savills). He imped four Victorian warehouses at Sun Wharf, Narrow Street E14 into a dramatic home with a large garden so close to the river that you could fall in.

He kept the brick inside so that you do not forget how the house began. It is rich in terraces. unusual views of the water and the barges, and has curning lighting. Mod cons include a cinema - and a imutable in the garage so that you need not back into the street. At 23m, it is ideal for somebody in showbiz - or a big bonus-whiner in the City or nearby Canary Whart.

Easter: just the time to see Rome and buy

remains valid indefinitely.
Attitudes have changed, though.

The council probably would not

must regret not having drawn a

larger CA. Now, more than 200 of

the village's 400 inhabitants have

signed a petition against the proj-

ect (with only nine in favour). But

What has happened in Quening-

ton is a lesson for buyers, solicitors

nothing can be done.

approve such a scheme in 1994 and

David Lane investigates the Eternal City's housing market

aster in the Eternal City has a timeless quality. It is a season for pilgrims, drawn to the and for art and history lovers, attracted by the galleries, museums and sites of imperial Rome.

There could, however, be another type of visitor this year, the prospective property buyer.

Prices have fallen steeply during the past two years, dropping by between 20 and 30 per cent in the historic centre over the past 12 months alone. Political uncertainty and the continuing weakness of the economy mean the turning point in the property market has not been reached, although some estate agents expect improvements in the autumn. Others forecast the beginning of next year, while the real pessimists say prices will not start to pick up until 1996. "There is little money around. The market is still falling and there are good opportunities for finding bargains," says Greti Walcher Miraglia, of estate agent Internazionale Immobiliare.

She says prices in the historic centre (approximately, the area between the Piazza Venezia, the river Tiber, Piazza del Popolo, Piazza Barberini, Santa Maria Magaffected much more than the fringe

around the centre and the suburbs. Price falls over the past year have been below 10 per cent in some outlying districts.

Despite this, many foreign residents find the centre still costs too much. It also falls short on convenience for those who work in the southern EUR suburb. But the garden district of Casal Palocco, near the Ostia lido and close to Fiumicino airport, has a large expatriate population of businessmen and employees with the United Nations Food and Agricultural Organisa-

Another popular district is the Via Cassia, outside the ring road to the north; it is well located for English schools and the Olgiata golf course. Also favoured by foreigners, including diplomats, is the Parioli area. Separated from the centre by the Villa Borghese park, it has property prices of L6m to L7m a square metre (convert at roughly 12,500 to the pound) that fit between the more expensive historic centre (L8m to L12m per sq m) and those in the EUR-Laurentina-Torrino dis-

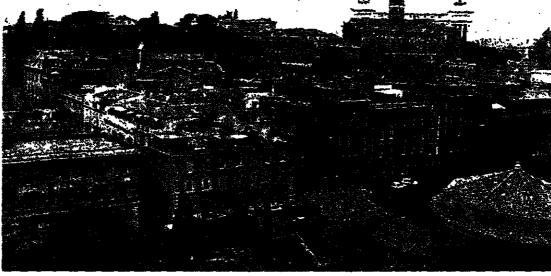
tricts (L3m to L5m per sq m). Casal Palocco, EUR, the Cassia and Parioli have their supporters. But wealthy foreigners without the constraints of working location or schools, and with the time to enjoy Rome's many attractions, opt unerringly for the historic centre. This is the real Rome of palaces, squares, churches, craftsmen's studios, smart shops and restaurants.

And where is more central than Largo del Nazareno, a minute's walk from Piazza di Spagna? Here, Internazionale Immobiliare has on its books a recently renovated, fourth floor, split-level flat offering reception room, two bedrooms, two bathrooms and kitchen at 1.950m. Refurbishment has brought a lift, a service not often found in apartments in this area.

"Two small terraces are an additional attraction in this apartment of about 100 sq m. The building has only four apartments and there is no porterage. But this will keep con-dominium charges low," says Walcher Miraglia.

er firm also is selling a fourth floor penthouse in Via del Pellegrino, which runs off the Piazza Campo de' Fiori, close to the Palazzo Farnese. At 75 sq m, this is a small property with a reception room, bedroom, bathroom and kitchen and small terrace, all in good order. There is no lift, though. Price: L600m.

"Most demand is for apartments in the range of 100 to 120 sq m," says Walcher Miraglia. "This is con-



Rome from the Pelatine ... property prices in Italy's capital have fallen steeply in the past two years

sidered ideal for a pled-à-terre, as apartments of such size can offer a reception room, two bedrooms and two bathrooms and are easy to manage." But buyers generally want a terrace or a fine view.

Most apartments in the historic centre are either smaller, (around 70 sq m) or much larger (more than 200 sq m). The demand-supply ratio means buyers get more square metres for their lire in larger properties. Internazionale Immobiliare has a 400 sq m apartment, in need of restoration, in an historic building in Corso Vittorio for which the asking price is L6m per sq m," says Walcher Miraglia.

Sant Andrea, the prestige property division of Gabetti (Italy's largest estate agency) also has an outstanding large apartment on its

books. This takes up the third floor of an 18th century building near the Piazza del Parlamento. "It is 380 sq m. has been restructured and boasts superb ceilings," says the agency's Laura Melega. The apartment has a triple-size reception room, five bedrooms, three bathrooms and ser-

vants' quarters. Price: L4.7bn. For buyers seeking only a pied-aterre, rather than part of a palace, Sant Andrea offers a third floor apartment of 100 sq m in a 17th century building in Via Giulia. "It is hard to imagine anywhere more typical of old Rome," says Melega. It has a reception room, two bedrooms, a kitchen and a bathroom. There is no lift but there are marvellous views of the Tiber and church cupolas." Price: L800m. Finding the right property should not be difficult in present conditions. Neither is obtaining mortgage finance locally. All the large Italian banks have mortgage lending operations, although bureaucratic procedures can be tiresome and English-speaking purchasers may

find it easier to deal with one of the two large UK specialist real estate lenders - the Woolwich building society and Abbey National - that operate in Italy. Certainly, they would be served more quickly.

*Provided the paperwork is in order, the Woolwich can approve a mortgage in three days," says Massimo Notte, its managing director in Italy. A similar time scale is achieved by Abbey National. In contrast, Italian banks rarely take less than four weeks.

Pietro Bertollo, Abbey's manager in Milan, says: "The term of the mortgage, which covers a maximum of 85 per cent of the value certified by our surveyor, is usually 10 years but it can be lengthened to 15 or 20 years. The variable interest rate is presently 10.8 per cent. We have no problems in lending to non-resi-

Woolwich is equally at ease with non-Italians and non-residents. Like Abbey, it grants mortgages to Britons resident in the UK for buying property in Italy. "Woolwich lends up to 75 per cent of the property's value. The term is up to 20 years and the variable interest rate is presently 10.6 per cent," says Notte.

Procedures for buying are straightforward. When agrees reached, the buyer usually deposits 10 per cent of the price. Then, the sale contract is signed before a notary. The declared price is often lower than the price paid, though.

Financial factors may, however, reduce some of the appeal of pur-chasing a Rome pled-a-terre. There is a tax of 4 per cent on the declared value of first homes. A registration tax of 2 per cent adds to mortgage costs, and the notary's fees may be substantial while the annual local property tax amounts to about 0.5 per cent of declared value in Rome, in addition to which there is an annual city charge for rubbish collection. And, as the Eternal City's governors tackle the temporal task of balancing the books, higher property taxes seem likely.

EFurther information: Internazion

ale immobiliare, Via V Veneto 96, 00187 Rome. Tel. 010-39-6-482 0441; Sant Andrea, Piazza di Spagna 31. 00187 Rome, tel. 010-39-6-6787702; Woolwich building society, tel. 010-39-234 9791; Abbey National, tel. 010-39-2-720 22881

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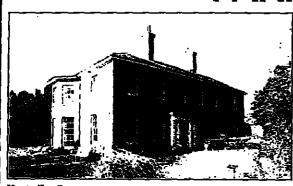
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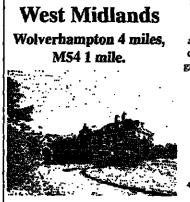
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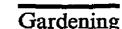
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Heading for the last Roundup

gardeners and this one rounds off a miraculous March. The wind might have been strong but spring flowers are running in the

ميكذا من الامل

The flowering cherries have gone mad and nobody, not even in Eden, can ever have had a better Saturday than last weekend's. If Easter repeats that even non-gardeners will wonder what they can best do outside.

If you trust them, put them to work on the three essential "p's" in horticultural life - poisoning, pruning and

The indispensable poison is still Roundup, which is the correct starting point for anyone with a new garden or plans for a new bed. I emphasise this every year because it kills by contact with greenery, not by lingering in the soil. It wipes out rough grass, dandelions, nettles and buttercups and shakes up everything unwanted, annihilating annual weeds.

Conditions are perfect for its use this weekend. Your worst enemies are bursting ahead of themselves into frantic early growth and, if you choose a dry spell of a few hours, you can round them up and reckon that one or two applications will kill them by the end of the month.

My own Easter enemies have two origins: the wet winter and the surrounding lawn. The exceptional rains have turned almost everybody's lawns into pile carpets of uninvited moss. It might look soft and cuddly this weekend but, in a normal June, the entire carpet will die and turn brown, and the lawn will look fearful. I am intending to strike

first with Maxicrop Moss Killer, raking out the debris at the end of the month, The lawn bothers me for a different reason. After six years of frantic upheaval on my new site, I now see that nature has quickly diagnosed one of my great blind spots. I made flower beds in the lawn and did not edge them with a solid barrier against the adjacent grass. It intrudes with amazing cunning and the buttercups are unspeakable.

If you are cutting out a new bed of any size, it pays to edge it with a solid barricade, something much firmer than

looking out on a new country garden this weekend is advised strongly to attend to a permanent edging for anything which they cut out as a border or flowerbed with the help of a spray and

If you and your helpers cannot face poison, you will probably take refuge in pruning. You might also have forgotten to prune your roses a month ago but, when you set about them belatedly, do please be more restrained. Hard pruning will delay their flowering now they

Poisoning, pruning and planting – that's the programme for Easter, says Robin Lane Fox

the strips of thin metal which are palmed off on "front gardeners" by DIY stores. In Oxford, my predecessors in the years of academic splendour edged the lawns with long runs of solid metal, 3in wide and 'sin thick.

Metalworkers or blacksmiths will quote you a price for special orders in quantity, but we have come down a grade in the Patten-Major era and now are using long lengths of treated timber, %in thick and 4in wide. They are held firm by pegs knocked at intervals into their undersides and hammered down into the ground. The timber then sits at the level of the adjoining lawn but blocks all the invaders which try to

violate your recognised boundaries. Wooden edging will last for 10 to 15 years, by which time we may be back with an age of academic splendour, and metal can return. But anyone who is

If you want to find a non-gardening can vent his aggression, direct him in a week or two's time to the forsythias, which have had such a superb season this year. Their flowering stems will need to be cut back immediately the flowers drop.

Meanwhile, let him loose on dead wood, especially in the cistuses and deciduous ceanothus. If you have neither, point to an ordinary buddleia and let him hack that until it is reduced to a height of about 3ft.

Meanwhile, I am fed up once again with the line between "professionals" and "amateurs" which is drawn in the garden trade. This carries the implication that "ordinary" gardeners should never be allowed to use what professionals use in order to present the best possible plant to the market.

For years, I have fiddled around with general fertilisers such as bone meal or the one to which every conservative heart will raily, Basic Slag. I now real-ise that professional growers pack the best plants which we buy in containers with slow-release fertilisers which put chemicals to the plant over a period up to two years, releasing them like rationed sweets to children.

The best-known is Osmacote, but it is hard to scale down for use on one or two shrubs at a time. I have gone over to Agroblen because it comes in individual tablets which can be given like an aspirin to an orange blossom and will last for two years. A 10kg bucket cost me £29.25 (plus VAT) from every big gardener's sundries' supplier: Joseph Bentley, Beck Lane, Barrow-on-Humber, South Humberside DN19 7AQ.

Enough of the practicalities. If it looks a bit bleak at home and the neighbours are doing wheelies on the minitractor, get into the car and head for an established arboretum or botanical gar-

At Hilliers Arboretum, Ampsfield, Hampshire, those marvellous magnolias are flat out this week and almost peaking too soon. From Cornwall to the milder parts of Scotland, from Trewithen to Logan, the story is the same. Camellias, magnolias and early to mid rhododendrons are ahead of themselves marvellously.

On my lime soil, if I could only plant one, it would have to be the pure white magnolia Soulangeana Alba, just opening to perfection without any stain from rain or severe frost as we all take a holiday weekend and exhaust ourselves instead, in the garden.

Arnie Wilson and Lucy Dicker are trying to ski every day of 1994 on a round-the world expedition. They began the year in Europe in the middle of March.

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a long way since skied Cloudmont, Alabama in terrential rain on March 1. In the past few days we have hurtled down the slopes of St Anton, Lech and Zurs under a cobalt blue sky and Sagamore - and a host of other strange towns in the US - seems like a dream to us

Skiing through a packed lunch places such as Accident, Mechanicsville, Krumsville

and even Ambridge. But since arriving in Austria we have driven far less and skied far more, catching up on some of the backlog in our effort to ski 5,000 miles during our year on the slopes.

If we could spend the whole of 1994 in Europe we could ski 5,000 miles with comparative During our final fortnight in ease. However with the pros-the US we passed through pect of glacier skiing, when the

snow is hardly skiable after mid afternoon, and skiing out of season in the Himalayas and Japan, our target is likely to

slip further from our grasp. After leaving Alabama for North Carolina, a look out of the window in Maggie Valley (named after a former postman's daughter), told us all we wanted to know: it was still raining. We guessed it would rain all day - and it did. We braced ourselves for an uncomfortable day skiing at Cataloochee knowing that at least it had a more respectable vertical drop - 730 vertical feet - than we had found in some other

Financial Times Round the World Ski Expedition/Arnie Wilson

southern and mid-west resorts. The next day managed to be worse: fresh snow on the ground, freezing rain and thick fog in the air. Hunched nervously over the wheel of our huge white limousine from Indianapolis, which was not equipped with winter tyres or

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front-wheel drive, and peering through the windscreen for any sign at all of the outside world, we slithered past the entrance to Sugar Mountain without even seeing it, and climbed higher into the fog.

"Where is this damn mountain?" I asked Lucy desperately. Any mountain would have done - so we made do with Beech Mountain, which we chanced upon. We didn't care that a number of unhappy skiers were queueing to

were at last going to get our skis on snow. Conditions were, however,

unusually difficult: icy patches, strong winds, and a resort anxious to capitalise on the sudden low temperatures by switching on all the snow cannon. But the thick fog meant the cannon were invisible. Skiing quietly and listen-ing like mad was the only way of avoiding a faceful of icy snow or even a collision with a

Snow gun. For the third day running. all thoughts of trying to catch up with our miserable mileage were lost in the gloom.

We found Sugar Mountain when at last the sum came out. By lingering there into the night and going back for more the next day, we clocked up 25 miles in our two visits. This was more like it.

But on the road, things were still not going well. In The Virginias, Lucy plotted a course from Snowshoe to Massanutten which she promised me "would not involve any mountains". We set off, Lucy fell askeep, and I negotiated six mountain passes in 160 miles. I didn't count the night's tally of hairpin bends, but they came thick

and fast. During an equally difficult drive the following night to Wisp, Maryland, the freezing log on Backbone Pass became so frighteningly impenetrable that even though the occasional truck went trundling through I simply had to stop the car and wait for it to clear. It never did, so with teeth gritted and eyebrows knitted we drove blind for a couple of hun-

clouds. How do the truck drivers do it? The journey from Liberty, Pennsylvania to Belleayre, New York was even worse and to spare ourselves a dice with death we booked ourselves a room at a roadside hotel in Newfoundland, not far from a place called The Promised

dred vards until we suddenly

found ourselves out of the

I like the way American resorts have themes. In New York State, our last port of call in the US, Belleayre's trails all have Indian names: among them are Wanatuska, Tongora, Utsayantha and Nimkish.

Hunter Mountain, where New York skiers congregate, dedicates many of its trails to famous New York areas - Madison Square, Central Park, 7th Avenue and Broadway - as does Hunter Mountain Shiobara, its namesake in Japan. Nearby, Windham's trail names all start with W: Wolverene. Wonderfully Wicked,

New York state, as the locals

point out, is very different from New York city. Larry Miller of the River Run B&B in Fleischmann's, a picturesque Catskills town, escaped to the mountains from New York but goes back occasionally.

"No one locks their doors around here," he says. "But when I have guests from New York the first thing they want to know is can they lock their bedroom doors.

"When I go back to New York I become just like them. But it's so peaceful and crime free here you'd never believe it was the same state."

Not entirely crime free, however: a week before we arrived at fashionable Hunter Village, one guest shot another dead at the Heartbreak Hotel

After visiting towns based on the Americans' idea of what a Tyrolean village ought to look like (Leavenworth, Washington State was the best attempt, and Gatlinburg, Tennessee the tackiest) it was a joy to be back in the real thing.

Kitzbühel, even with patchy snow, was a delight, and a fair portion of Söll's Ski Welt circuit was intact. Mayrhofen had plenty of snow although much of it was verging on boiler-

One closed run almost robbed us of a meeting with one of the Zillertal's great characters, an 82-year-old farmer called Andler. It is a shame this run is closed," said Charly, our guide. "There's a great schnapps hut down there. Shall we do it?"

ucy did not need to be asked twice. In a trice she was at the dilapidated hut and the toothless incumbent fixed her with a sparkling eye, planting a wet kiss on her cheek.

A makeshift bed sprawled in the corner of the room where the old man made his schnapps and his cheese, and he promptly suggested that Lucy might like a rest after her She declined, which did not

as we left. "He may have been 82, but he was certainly not dead to the world," said Lucy. "Andler is quite an appropriate name."

prevent his hands wandering

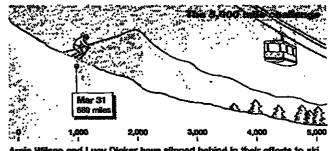
There were so many people in St Anton, Lech and Zurs last week that we decided to eat late and ski hard during the But skiing through lunch

took on a new meaning when two restaurants opposite each other on the trail down from Valluga to Stuben overflowed, blocking the piste so that we had to weave through a sea of off-duty skiers. In Lech we spotted dozens of

Princess of Wales look-alikes in powder-blue suits. And then we saw the real thing, also skiing in her lunch hour.

The Princess skis rather nicely these days. Such a shame she cannot be left to ski in peace. But then, she chooses high profile resorts.

I have picked up plenty of great contacts in Alabama, North Carolina and Tennessee which she is welcome to. They would never spot her in a million years in Ober Gatlinburg.



Amie Wilson and Lucy Dicker have slipped behind in their efforts to ski 5,000 miles during 1994. Travelling and finy resorts in North America slowed them down. But in Europe 20 miles a day is possible – for now

Facts and figures

March statistics

Milies skiled: 369 (Total 889) Vertical feet: 402,025 (Total since January 1: 1,019,885) Vertical railes: 76 (Total: 192)

Miles driven: 2,808 (Total: 12,017)

so far: 97 (US: 48; Canada: 13; Austria: 25; Italy: Germany: 1)

Resorts skied in March

US: Alabama: Cloudmont, North Carolina: Cataloochee: Seech Mountain; Sugar Mountain. West Virginia: Winterplace; Snowshoe. Virginia: Massanutten, Maryland: Wisp. Pennsylvania: Ski Liberty. lew York State: Belleayre; Windham; Hunter Mountain; Cortina

Austria: Kitzbühel; Pass Thurn; Jochberg; Söll; Brixen; Westendorf; Mayrhofen; Finkenberg: Alpbach; Axamer Lizum; Obergurgl; Hochgurgi; St Anton; St Christoph; Stuben; Lech; Zurs; Brand; Schruns; Gargelien: St Gallenkyrch: Partenen; Gortipol.

Italy: Selva; Marmolada; Canazel; Corvara; Collosco; Plan de Gralba; Arabba; San Cassiano; La Villa; Cortina. Germany: Garmisch Partenkirchen.

Emedition sponsors Ski the Summit, Colorado; Hewlett-Packard; Avis; American Airlines; Als New Zealand; Snow + Rock; Fogg Travel Insurance; Luhta; Champagne Mercier: Ctarins. .

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Which skiling resort is famous for being a favourite with the British roval family?

a. Zermatt b. Klosters c. Courcheve

2. The Dolomites range is in which country? a. Italy b. Norway c. Canada

3. Which one of the following is an Australian skiing area?

a. Blue Ridge b. Snowey Mountains c. Twin Peaks

And how many miles will Arnie ski this month?

Crystal Holidays' 1994/95 Ski Preview brochure featuring 10 countries is available now from travel agents or by calling 0235 865656. The prize includes travel, insurance, seven nights' chalet accommodation, breakfast and afternoon tea each day, plus three-course dinner with wine for six nights.

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Send your answers, plus your estimate of Amie's mileage, with your name and address on a postcard to: Round the World Competition, Marketing Department, Financial Times, Number One Southwark Bridge, London SE1 9HL.

MARCH COMPETITION: ANSWERS AND WINNERS

Answers: Most difficult sid runs in France are black; Moguls are bumps in the pister. Zermats is famous for the Matterborn. Winner: Mas G. Lawcon of Childdingly, East. Sussex wire a week's holiday for 2 in Courneyour with Bladon Lines, Runner up: Mr C. Risher of Fulham, London, wins Selomon std equipment provided by Snow + Rock.

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WHY

Why Not? and - rather insensitively - Wheelchair.

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oked Robin Knox-Johnston: "Weather forecasts are a very perishable commod-

Those people anxiously scanning the horizon during the Easter holiday might well agreed Unlike most holidaymakers, Knox-Johnston had his fingers crossed for a southwesterly gale. He was speaking by radio from the deck of ENZA New Zealand, while it was still 1.000 miles away from Brest and the record for a circumnavigation under sail.

Knox-Johnston was predicting that she would clip four days off the existing 79-day record, and the voyage was completed yesterday in 74 days, 22 hours and 17 minutes. Bruno Peyron, the French multi-hull star, set the 79-day record a year ago.

ENZA is the biggest, most powerful catamaran afloat. To achieve such a remarkable voyage her eight-man crew, led by Knox-Johnston and coskipper Peter Blake, have sailed her round Capes Horn and Good Hope at average speeds close to those of a cross-channel car ferry.

"We're perky but all pretty tired, reported Blake, skipper of the winning Steinlager II in the Whitbread race of 1989-90. Even the youngest and strongest are puffing and pantYachting/Keith Wheatley

Around the world in 80, 70, 60 days?

ing when they handle sails. It's the lack of aerobic fitness." Our longest walk is 20ft to the loo."

Blake spent nearly two weeks confined to his bunk after a serious back injury in the first month of the trip. Convalescing in such surroundings makes one think warmly of crumbling innercity out-patient departments.

"I fell 8ft on to the edge of the chart table," explained Blake, a broad man weighing around 200lbs. "The boat came off the front of a big sea at an angle of 45 degrees and instantly went from 28 knots to stationary. I was just coming out of the hatch and just

He broke a couple of ribs and several muscles tore away from the pelvis. Initially kidney damage was suspected and edics consulted by high freAround Cape Horn, the fair weather for ENZA ran out. She was hove-to in a storm for nearly two days

quency radio were talking about a helicopter evacuation via Tasmania. "Fortunately, Peter's a big strong lad," said Knox-Johnston, with the sym-pathy of Bluebeard.

On the outward leg of the journey ENZA had some of the most exciting sailing one can imagine. In the first 16 days after leaving Brest she averaged 403 miles a day meaning, in practice, well over 20 knots for much of the time.

Crew-member David Alan-Williams, a naval architect who designed the radical trimaran Steinlager I for Blake

dlubber a telling analogy for helming ENZA at high speed

during darkness. "Drive down the nearest motorway at night, when it is raining hard, with the car at maximum speed," he advised. Turn off the headlights and turn sharp left across the near-

est ploughed field."
He was not able to think of a way to recreate the effect of a kout in the bows, calling out drift-ice. Collisions are a sensitive subject aboard ENZA. A year ago the catamaran's first record attempt was abandoned after it hit a submerged object. In early 1993

most observers still doubted whether the Jules Verne Trophy was achievable. To sail round the world non-stop in 80 days or less seemed

The reality is now clear. But the sailors still need luck. At Cape Horn, the fair weather for ENZA ran out. She was hove-to in the middle of a severe storm for nearly two days. Blake described it as the worst sea-state he had seen in 500,000 miles and 20 years of

"In the Drake Passage off Tierra del Fuego we had 60ft eas on the beam and all we could do was sit there and roll. It's not too good for recordbreaking," he observed.

For Knox-Johnston, 55, the circumnavigation has brought back a few memories and provided a sharp comparison. In 1969, as a 30-year-old mer-

chant navy officer, he won the solo Round the World race in his wooden ketch Suhaili. She Indian shipwrights using adzes. ENZA came out of an aircraft factory, constructed largely of carbon-fibre.

To put the speeds into some sort of perspective, 25 years ago I averaged four knots around the world," said Knox-Johnston. "ENZA has been averaging more than four times that."

On just the sixth day after leaving Brest on the Atlantic coast of France, ENZA logged an extraordinary 520.9 miles in a 24-hour run while reaching off Sierra Leone. It is claimed as a world record, but has yet to be ratified.

The question everyone is asking is just how fast can a sailing boat circle the globe? When the Trophec Jules Verne (for breaking 80 days) was first proposed in France it was "I think 70 days is quite fea-

sible but you'd need a lot of luck with the weather," said the naturally-cautious Blake. Meanwhile, in France, the initial record-breaker Bruno Peyron is working on design and sponsorship for a 125ft, schooner-rigged catamaran capable of 45 knots. Sixty days around the world is the target

Golf/Tim Dickson Forget the Masters, this is serious

here is only one serious golf tournament next week - and it is not at Augusta. Several hours before Greg

Norman and others tee off on ters, 640 golfers, mainly British will assemble at Royal Cinque Ports (Deal) and Royal St George's (Sandwich) in Kent for the Halford Hewitt Cup, an annual contest between old boys of some of Britain's bestknown public schools.

The unique character of the event is hard to pin down. Suffice to say that it is a combination (among other things) of that peculiarly British affection for the aima mater, the glorious unpredictability of the (peculiarly British) weather, the unfamiliar pressures in this highly individualistic sport of playing for a team, and the chance to renew acquaintances from year to year.

The "Hewitt", which dates back to 1924, probably owes at least as much to the insulra-tion of a Cambridge golf and soccer blue called G L "Susie" Mellin as it does to Halford W. Hewitt who presented the Cup. According to Peter Ryde, who chronicled the first 60 years of the competition in his book A Festival of Foursomes*: "What is important in thinking of the tournament is that the name of one should not be remembered without that of the other."

In a foreword to Ryde's book the late Gerald Micklem (one of England's finest amateur golfers) wrote that the Hewitt was really a series of little tournaments within a big one. For many of the 64 participating schools getting through one round - or beating an old foe - is the limit of their ambition. Reaching the last 16 on Saturday morning when every-one moves to Deal - the true "home" of the Hewitt - is another incentive for those drawn to play their first, two

rounds at Sandwich. Part of the unpredictability lies in the draw, which always takes place at the East India Club in London in January and

This means strong teams often clash early on - Eton and Harrow being a case in point this time – while others have a

My own school, Uppingham, appears to be in that happy position this year, judging by a complex table compiled by our organiser and showing the number of quarter-final and semi-final appearances over the last 10 years of all the teams in each section of the

draw. The official "form guide", however, is the so called Andersen scale - named after a veteran Malvern campaigner which ranks schools on the basis of both their overall record and their recent record.

What stands out is the sheer consistency of those at the top: the best between 1984 and 1993 (Malvern, Shrewsbury, Tonbridge, Harrow, Watson's and Eton) all feature in the top 10

"all comers".
The standard of golf reflects the mixed composition of many teams - from players who have represented their countries to the club hackers sometimes required to make up numbers. Reputations, though, count for little when the wind blows and

nerves start to jangle. There are few more stomach cramping experiences than the dawning realisation that it is your" match which will be the decider, that the rest of the team and its camp followers are gathering around the lath green to watch the action, and that you may have a three foot putt or less to take it down the

And what a 19th (by which I do not mean the clubbouse). Played for the first time the first at Deal seems a relatively straightforward par four a drive and a flick for longer hit

Played for the second time. perhaps in front of scores of other competitors relaxing on the chibhouse verandah - the burn across the front of the

'If I'd known it was foursomes, ľd never have come'

green suddenly becomes a daunting challenge even with

wedge in hand. At least one school has lost after two of its five pairs won their matches by handsome margins in the "country", whereas the other three all lost

after extra holes. Ryde's book sums it up by quoting the verdict of one coinpetitor to the effect that the Hewitt would be the greatest fun in the world were it not for the golf. Another has a sodden North of England, Scottish or West Country competitor remarking: "If Pd known it was foursomes, I'd never have

Best of all perhaps is the "telegram story" of 1949 which sounded a still relevant warning for successful schools who take their opponents too lightly. It involves the late Leothe Daily Telegraph and pillar of the formidably strong Harrow side, who failed to arrive

in time for a first round match His hapless captain later in the day received a telegram from the victorious underdogs which read simply: "Tell Crawley bring his pen but leave clubs behind". Published by Public Schools

Golfing Society, 1984, but now out of print. A limited edition of "The Halford Hewitt: a record of results" compiled by Sam Smale is now available from Jeremy Lowe, hon secretary of PSGS. Flushing House, Church Road, Great Bookham, Surrey, KT23 3JT, or fax: 071-837-8704 Price £75, or £235 for the luxury

the file

From left: Petchey, at the start of his Davis Cup career, Bates, thinking of doubles play; and Wilkinson, impre The state of British tennis/John Barrett

Tracking the next generation

on those who follow tennis in Britain, with last week's humiliating Davis Cup defeat at the hands of lowly Portugal, it may seem surprising to suggest that the much maligned Lawn Tennis Association, after years of stagnation, is at last getting it right. But that is what the facts indicate, in spite of the resignation of captain Tony Pickard, who has had more success with Stefan Edberg than with British teams.

The role of the LTA is to encourage the game's growth at grass roots level, to build facilities that will allow that growth to take place, to establish a competitive structure for counties, clubs and individuals, and to provide training and saidance for the best of our players so that they may fulfil their potential.

During the post-war period those objectives were shamefully neglected. For 40 years club and county tennis continued cosily as an elitist sport with little attempt by the LTA to broaden its appeal. A few ambitious clubs did replace the wooden clubhouses that had been constructed in the 1920s and 1930s with more substantial premises, but most were reluctant to modernise, wor-ried that higher annual subscriptions would lose members. Golf and squash had no such

Meanwhile the rest of Europe was building for the future. The French, for example, first under Marcel Bernard and then for 20 years under Philippe Chatrier, transformed the fortunes of both the French open and the national club infrastructure based on its regional leagues.

It was always a weakness of the LTA that its chairman served for only one year. There was no continuity of leadership and the well-intentioned, but inadequate, amateur officials were more concerned about planning their paths to the summit than in revitalising the game. The extension to a threeyear term in 1982, when the post of chairman was changed to president, was an improvement but it was not until the appointment of a full-time executive director in 1986 that a truly professional approach could begin.

Ian Peacock has held that year programme of facility ost for seven years and has developments, totalling £63m, post for seven years and has presided over a growth in LTA registered membership from 16,000 to 52,000 - and an increase in the number of tour-

naments from 500 to 900. He has seen the number of multi-court indoor centres built under the Indoor Tennis Initiative grow from zero to 29,

construction has already begun on large tournament sites where the court surface will be an American version of Two other key centres, one

in Wales the other in the home

is under way. In Nottingham,

Edinburgh and Bournemouth

'The LTA's training department looks professional. The fact that the men have lost to Portugal merely confirms

with 11 more in various stages of development. He has encouraged private clubs to build indoor courts and reports investment of 5.5m in projects at various stages of completion. County centres have already been built in Derbyshire. Norfolk and Bucking-

hamshire and eight more are about to come on stream. Thanks largely to the increasing revenues from Wimbledon, which passes its surplus to the LTA each year

their known inadequacy on clay' counties, will be similarly equipped. In total there will be 41 clay courts in use at these sites by 1996. All will be available for national and county

> The importance of clay as a surface for young players to learn their skills can hardly be over-emphasised - especially in Davis Cup matches.

courts. training at agreed times.

Years ago there used to be a springtime circuit on shale courts which, though faster and more slippery than continental clay courts, had roughly

the same playing characteris-Clubs found their upkeep too costly and were encouraged by

the LTA to replace shale with acrylic hard courts, the surface used by more and more international tournaments. Thus a generation of players grew up with no chance to develop clay court skills at home. As Richard Lewis, director of national training, admits:

"When we tried to address that problem five years ago by constructing European clay courts in key areas we ignored what was an altogether more appropriate surface for our climate ~ American clay with its year-round usage against the seven months of European clay and much lower maintenance

Now clubs are being encouraged to lay the American surface with grants of £5,000 per court for a minimum of two, provided they also commit to a iunior development programme. It is a welcome, if elated move.

Lewis has sensibly surrounded himself with highly qualified coaches and captains. Ann Jones looks after the Federation Cup women, and Mark

Cox heads up the Rover heme for young hopefuls and is assisted by former US Wightman Cup player Sharon

Another former highly ranked American, Janet Newberry, started this week as the new women's national training manager, and will attempt to bring the same belief to her players that Bill Knight has instilled so impressively among the men.

Former Russian No 1, Olga Morozova, and Ian Barclay, Pat Cash's coach, look after the 12-16 age group at the Rover School at Bisham Abbey. Barclay also contributes to the education of coaches. With Dr Michael Turner

appointed as the new medical officer, alongside nutritionist Dawn Thorpe and trainer Steve Green, the former Olympic sprinter, there is a thoroughly professional look about the LTA's training department.

The fact that the men have just lost to Portugal merely confirms their known inadequacy on clay. On hard courts or grass it is a different story. Mark Petchey, who lost both singles in Portugal, has just beaten World No 2 Michael Stich and was within a whisker of beating André Agassi in Key Biscayne. At Wimbledon last year, Andrew Foster, Chris Wilkinson and Chris Bailey all performed to their full poten-

The next generation will be better prepared. At this very moment 25 boys and girls aged between 12 and 15 are at the Bruguera club in Spain where, for three weeks, they will learn the basics of competing on European clay. It is a skill few Britons have ever mastered, Fred Perry is still the only British man ever to have won the French Open - and that

Book review/Derek Lawrenson Just Himself

tristy O'Connor neither won a major championship nor assembled a good Ryder Cup record. So if crude atistics are the measure then the Irishman will struggle for a place in history as those who witnessed his genius diminish with the years.

Thankfully, there is not yet a shortage of such witness counterbalance the statistical distortions, and they have queued up to contribute to a diligently researched blography of the great man as he approaches his 70th year.

It is entitled Himself (Colorman, £16.99), the name given to O'Connor many years ago by his supporters in recognition of the fact that he never tried to be anyone else. Edited by Seamus Smith, sports editor of the Irish Press newspaper, the pieces together O'Connor's life from chapters written by various golf journal-

ists and fellow professionals. Like Ballesteros, some of O'Connor's best moments in his career came at Lytham. In his first three Opens over the Lancashire links he never finished outside the top six, and last year, aged 68, he still finished tied for 8th in the British Seniors Championship.

His last Open appearance also came at Lytham in 1979, which marked the first of Ballesteros' two wins. So why did O'Connor never win a major

Well he failed to win an American major because he never played in any. O'Connor received 18 invitations to the US Masters at Augusta and turned them down because he could not afford the fare.

But he did play in 28 Opens and led a few, too. The consensus, including O'Connor's view, is that he tried too hard. O'Connor won just about everything else he played in over a long long career. His record 10 Ryder Cup appearances is testament to that lowgevity. Even at 59, he still fin-

shed 26th in the Irish Open. Two years ago, he was asked to partner Jack Nicklaus to mark the completion of a course Nicklans built in Kilkenny. The organiser feared the ageing O'Connor would be shown up in front of his own people as the course is of a daunting length Jack shot 74. Christie shot 72.

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strongly in the running for the post. This book is his manifesto. Not all members of the British Conservative Party will like it. Sir Leon is in favour of moving towards European monetary union as soon as possible. He believes that it will be hard to maintain the European single market without a single European currency. He defends the objectives of the common agricul-fural policy. And not only does he accept the Treaty of Maastricht pretty well an bloc; he thinks it

should be built on. Whereas UK Prime Minister John Major once said that Britain should be at the heart of Europe, Sir Leon comes close to arguing that an enlarged European Union is Europe. - He does not say, but clearly implies, that its development will continue with or without the full

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Brittan stakes a claim on glory

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Conservatives may not be too happy with this European manifesto, writes Malcolm Rutherford

participation of the British. A natural Tory reaction to the

book might be that Sir Leon has "gone native", though in truth he was pretty native to start with. None of that, however, should prevent the British government from fully supporting his candidacy. It must be better for Britain to have someone they know and understand in a place that matters.

Anyway, it is not primarily Westminster and Whitehall at which the book is aimed. The main target is Paris and some of the smaller European capitals. For there can be no question of the next president of the commission being a Frenchman since the outgoing president is Jacques Delors. Even the French would not expect to hold the post twice in

The Germans have seldom been seriously interested in putting up a and the choice of small letters for

candidate of their own, and the Italians have retreated into their internal affairs.

So if the presidency is to go to a big country, Britain is in with a chance despite the fact that there was a British president - the now Lord Jenkins of Hillhead - from 1977-81. With French support and the sympathy of the smaller countries, Sir Leon could be there.

On the evidence of The Europe We Need he would be the right man for the job. The "we" in the title is left ambiguous. It could refer to Britain or to the Union as a whole. Sir Leon does not discriminate. As a lawyer by training, he realises the size of the task, which is no less than to continue to develop the constitution of an expanding united states of

Those words are mine, not his,

united states is deliberate. Yet that institutions, in particular the Comis exactly what the book is about. Sir Leon goes through the whole range of policies. He wants free trade, deregulation and vastly reduced state subsidies, all of which

THE EUROPE WE NEED by Sir Leon Brittan Hamish Hamilton, £17.99, 248 pages

On a European defence policy, he prefers to go slowly and only on the sis of consensus - a line that should appeal to the French as well as the British. He would not overhurry the entry of eastern European countries, but would help m on the way.

The core of the book, however, concerns his views of the Union's mission and the European Parliament. To outsiders, the Commission frequently appears an interfering bugbear. The normal inside view is that it is simply the Union's civil service, proposing policies to the Council of Ministers but not taking ultimate decisions, and not much bigger than some of the London borough councils.

Sir Leon has a different emphasis. He writes that the Commission was "conceived as more than a secretariat, but definitely less than a government". Under the Delors presidency, he argues that it "reclaimed its status as a political body". He would like to move on from there and streamline the Commission's activities.

Especially after the next enlargement, the Commission would take more of the form of a national gov-

ernment. There would be a greater hierarchy and an end to the borizontal structure where, in theory, all commissioners are equal. Instead there would be seniors and juniors. The big countries would always have a senior post; junior

posts would rotate between all

member states.

ny potential loss of democratic control would be balanced by greater pow-ers for the European Parliament and a new committee of parliament, made up of members of national parliaments and designed to oversee the work of the Commission and the Council of Ministers. There are many more proposals:

for instance, for a three-tier voting system that would preserve the principle of unanimity on important questions. Yet it is on the parlialeast sure of himself. A bold man would propose either to abolish the Parliament altogether, allowing scrutiny to lie with national parliaments, or to give it more direct

This is at the heart of the British dilemma, particularly in the Fory Party. Westminster is jealous of the powers of the European Parliament: the MEPs have little access to Westminster, hence there is no co-ordi-

One answer might be to restore the dual mandate, allowing British politicians to sit in both places. Until the dilemma is resolved, the British Parliament is likely to remain hostile to Brussels and Strasbourg.

Sir Leon may not have all the answers, but as a lawyer he reads the texts and takes them seriously The great British failing has been to ignore the texts - such as the Treaty of Rome - until it was too

late to change them. This book should be read as a draft text on the future of the Union, for Sir Leon is in the main-

mentary side that Sir Leon seems



peere in the National Film and Television Archive, edited by Luke McKeman son at the National Film Theatre on London's South Bank from April 22

Quality outshines fame and fortune

s it still true, as I sup-pose, that most people love reading John Steinbeck in their teens, yet only rarely return to him in their maturity? Was his friend John Hersey right when, explaining Steinbeck's astronomical sales, he said, "Readers loved him. Even people who really did read books read Steinbeck"? Has persistent denigration by academic critics denied him his proper reputation notwithstanding his Nobel

The virtue of this long but readable book is that Jay Parini, by achieving an excellent balance between biography and literary appreciation always a difficult task - makes a strong case for the quality of Steinbeck's work in the course of a well-told life story.

He establishes the structure with confident authority: the family homes in Salinas and Monterey; the unsatisfactory parents who nevertheless supported their son while he mastered his trade; the failure at Stanford: the early experience on the road, as labourer, rancher, sailor, solitary; the three wives, the alcohol and the depressions; the unfailing conviction of his vocation as writer, and then the breakthrough to worldwide success with Tortilla Flat, followed by Of Mice and Men and, in 1939, The Grapes of Wrath.

Parini then moves deeper He understands that the fame of The Grapes of Wrath - one of the great "angry books", the instant classic which describes so unforgettably the plight of the Okies fleeing from the Dust Bowl - can mislead us about Steinbeck's true gifts. The 1930s may have been the period when the American novel went political but Steinbeck, an instinctive New Deal Democrat

cate, always knew that realism was, in his words, "a dead end for the novel".

His own ambitions lay more in the myth-making function of the artist. He had a life-long obsession with the Arthurian legend (which is clear in Torti-Ila Flat and Cannery Row) and, arising out of his scientific bent, he held well-developed theories about the relationship between the individual and the larger social unit which he called the "phalanx".

"Man is a double thing," he once wrote, "a group animal

JOHN STEINBECK: A BIOGRAPHY by Jay Parini Heinemann, £20, 614 pages

and at the same time an individual. And it occurs to me that he cannot successfully be the second until he has fulfilled the first." That is rather a good way of understanding The Grapes of Wrath As Parini points out, this

philosophy is not so far from Jung's Collective Unconscious and it is particularly interesting to find that one of Steinbeck's close friends in pre-war Monterey was Joseph Campbell, later to become America's most influential mythologist. (This California group of whores, scientists, bums, winos and local artists' included Steinbeck's best friend, the marine biologist Ed Ricketts, George Albee and John Cage, as well as Camp-bell, who had an affair with Carol Steinbeck which may have contributed to the even-

tual divorce.) Out of all this detail. Parini focuses on his argument: "Like Joyce and Eliot and any num-

rather than a radical sophisti- ber of other writers. Steinbeck used myth to organise his ideas and ground his work in archetypal patterns. The important point is that Steinbeck summoned a reality that was fresh and highly particularised, always trying to examme 'the group' and its effects on the individual." There is a lovely line from Steinbeck's diary as he was writing Gropes

> "Carol says, stay with the detail". After earning a mere \$870 in his first seven years, Steinbeck took off. The critics soon decided that he had peaked already, but the public disagreed. There were to be films and plays and travel books and

journalism, as well as more

novels. Parini takes us smoothly through the fame and the fortune, the years as war 🏲rrespondent, the move to New York, the bad second marriage and failure as a father, divorce and more drink and crisis, a happy third marriage, East of Eden and the screenplay of Viva Zapata!.

Steinbeck wrote a book a year between 1931 and 1950 and was only defeated by his attempt on his beloved Malory, for which he moved to Glaston

These later years are told at a fast lick, but it would be churlish to complain. The argument of the book is not simply that Steinbeck is unfairly under-esteemed but that it is wrong of the critics to declare that his work declined after the famous bestsellers.

Does Parini make his case? I suspect that he protests too much. But in order to be sure, I'll have to go back to the books - which is a good test of a good biography.

J.D.F. Jones

Wait for the film

ment pressures are hardly new, even if they are causing pre-millennial stress in most of today's developed countries. They date, no doubt, from the earliest days of civilisation.

Even in Japan, pressure to cut industrial costs by booting out more and more workers was building up steam more than a century ago.

Take tea-sifting. In 1867, a

resourceful and lusty Scottish businessman, Thomas Glover, anxious to boost the profits of his three Nagasaki tea plants, hit upon a way of using steamdriven machinery to sift tea. The British consul's Report on Trade in Nagasaki for 1867

observed that the machinery was doing remarkably well but that "a better constructed and finished machine is now on the way out from England... It is a great saving in manual labour, which is a great consideration in an establishment where 1,600 hands are generally employed during the tea-firing season." This machine - invented and

constructed on the spot - was state of the art We do not learn from Scottich Somuroi how many of the 1.600 workers were thrown into the street by Glover's invention, but the author reckons that some of Glover's drive and inventiveness rubbed off on

the Japanes We are also told that Glover can be regarded as one of the guiding spirits of Japan's 20th century economic miracle.

Scottish Samurai is remarkable story. The son of a Scottish coastguard officer, Glover left Aberdeen as a

young man, first for Shanghai, then for Japan. He became an entrepreneur, ship-builder, gun-runner, anti-Shogun rebel and adviser to Mitsubishi. He was a friend of Japan's first

rated by the emperor in 1908. He was also a man of the flesh, fathering at least four children by Japanese beauties. There is a bridge leading into Nagasaki's red light district of Maroyama which the Japanese call the Shion Bashi, or Hesita-

prime minister and was deco-

SCOTTISH SAMURAL: THOMAS BLAKE GLOVER 1838-1911 by Alexander McKay Canongate Press £25, 162 pages

tion Bridge. Further in there is a second bridge, Omoikiri Bashi, or Made-Up-Your-Mind Bridge, for the tumescentlycommitted. Glover, it seems, was not one to have been deterred by Shian Bashi. This is a great story: the sort

that Bernardo Bertolucci would pay good money for.

The book, however, is unengagingly written and gaspingly over-priced. It seems to have been partly sponsored by Aberdeen city council. Nothing wrong with that, especially, except that £25 for such a flatly-written tale (the anthor is "employed by a major oil company on an oil production platform in the North Sea", if you please) is impertinent.

Skip the book, and just hope that someone films it.

Michael Thompson-Noel dying and the lessons he has names and complex anatomical

ot to he confused with the film of the Undike's new novel is a retelling of the Tristan and Isenti story. The setting, however, is Brazilian not Breton and the period covered is the 1960s to now.

Yes, this is a departure for the man who has been taking his scalpel to the American East Coast middle-class and their sexual mores for 30 years. His skills, however. have not deserted him; first and foremost, his fluency with words (page succeeding page, it never ceases to amaze); and second, his facility for structure, for architecture.

The novel starts on Copacabana beach with the first meeting of the ill-started couple: Tristão is a black shanty-town dweller, Isabel is the white upper middle-class daughter of a Brazilian diplomat.

Fleeing from her father (who disapproves of miscegenation), they go west (in the time-honoured tradition of American fiction) to the Chilean border. where they meet their nemesis in the form of an Indian shaman. Tejucupapo, as he is named, turns Tristão white. and isabel black. Knowing

niand clearly does

not give a damn

about bestseller

status; surely some

marketing executive tried to

dissuade him from such a com-

fortless title? But, as he writes,

in his seventh decade he

knows he has little energy or

time to spare for mealy-

Praise be for both title and

book: a painstaking examina-

tion of the half dozen commo-

nest avenues leading towards

A consultant surgeon with 30

years of experience in US hos-

life's only certainty - death.

mouthed euphemism.

Updike writes with panache in a new setting, says Carlo Gébler that daddy can't object now that his son-in-law is the same colour as he is, the couple retrace their steps through the very terrain through which they had earlier fled, until at last they arrive at Copacabana, at the very spot where

they met 20-odd years earlier. The narrative then draws to its melancholy conclusion. And this being Updike, there

is naturally a corresponding emotional symmetry. When the couple first meet, Isabel, is in awe of her "bit of black rough" with his "swelling yam", while Tristão is gentlemanly and humble. She wants to submit and to serve; meanwhile, he can't believe his luck. Once their colouring is reversed, she becomes aggressive, while Tristão, eschewing chivalry, wrestles her into ion and then partakes with her (some people aren't going to like this) "of the criminal bliss of rape".

Which brings this review

his interest in sex because of what it reveals about character, and the unfilinching virtuosity with which be describes the many and varied private acts of couples - all without

by John Updike Hamish Hamilton, 261 pp, £14.

ever becoming titillating or striking a false note. Yes, again this is a typical Updike book; there is a lot of sex in it, but it is emphatically not a work which one would describe as "sexy"

In Brazil, one finds Updike as he always is; and those who like him should like this novel, although maybe not quite as much as those books in which the old wordsmith is describing his native habitat. The North American settings, because they are familiar to

to that other Updike ballmark: the author, obviously come easier to him. In Brazil, he has had to marshal an enormous amount of research and then represent it in Updike-speak.

His energy, however, is unstinting and his panache is extraordinary. Whether he's writing about Brazilian flora and fauna (his descriptions of natural history in this book are superb) or the miserable gold mining area in the Dourada, he's always engagi

While Updike is always Dedike the question remains: why South America, why Brazil? Well, why not, is one answer. Nabokov changed from old to new world, switch ing languages in the process. Graham Greene may have been Berkhamsted born and bred, but that didn't not stop him writing about Indo-China and South America.

But those writers had an aptitude for such an endeavour, whereas Updike is not a chameleon who can change his

colouring to suit his locale. Another answer is that writers need new worlds and they

them out. Perhaps Updike is bored with his usual milieu and wants a change. Maybe, but I suspect that what lies behind Brazil is something deeper and more important.
North America, for white

are perfectly entitled to carve

writers at any rate, is no longer the epic canvas that it once was. Everything's been conquered; there's nothing left to discover. The world Updike trawled in

the Rabbit series and Couples has been over-fished. White middle-class America is also getting smaller and, as it shrinks, it becomes - at least for a writer of Updike's particular intelligence - a less congenial place.

Updike can use the "R" word to describe the love-making (sic) of two Brazilians and get away with it. However, relo-

Hampshire, and chances are the Thought Police from the Ministry of Political Correctness are going to go nuts. "Hey," I can hear them saying after reading the passage

referred to, "he supports rape in marriage.' He doesn't. But if you're one

of those sexual hygiene freaks who believe the world should conform to your beliefs and can't bear it being messy, untidy and contradictory, you could easily persuade yourself that he does.

Given these factors (and the pressure on writers to conform is only one part of this pic-ture), it should come as no surprise that Updike has moved south to give himself more room in which to operate.

Perhaps this is also a signal of a larger change that white middle-class American writers are about to make. If it is, the world will not be any the poorer for it - so los as Updike's high standards are maintained - for Brazil is a fine and memorable achieve

■ Novelist and film-maker Carlo Gébler's fifth novel, The Cure, will be published next

ying for some comfort

Pleasure in the south

learned from trying to prevent death. The book is suffused with a robust, humane tone, with the flavour of Thomas Love Peacock's "we are all of us born to disappointment, it is as well to be prospective". Neither coldly stoic nor falsely sentimental, Nuland evinces a literary mind, one equally capable of dissecting a corpse as of placing death in a larger, philosophical and literary conpitals, Nuland has written a text. He has distilled the medifine book about the process of cal essences, the esoteric Latin

details into a skilled literary journey towards the Styx. Here we see Alzheimer's, cancer, Aids and all the other

major killers against which we are impotent. How they work; how we suffer; how our loved ones share the agonies. Nuland has few certainties apart from the clinical, but his most significant is that the greatest futility of medical research is its hunt for an elixir which will endlessly stave off death. We must die to make room for those that follow. Given that

by Sherwin Nuland Chatto & Windus £15.99, 280 pages

his text is as well graced by literary as medical references, it is therefore odd that he over looks Swift's Struldbrugs, the immortal creatures in Gullioer's Travels who were condemned to agonies of perpetual boredom, regret and lassitude. Nuland understands these.

But if there are few certain-

ties there are useful sagacities. "The dignity that we seek in dying must be found in the dignity with which we have lived our lives ... The honesty and grace of the years of life that are ending is the real measure of how we die."

When he says towards the end that he will not "allow a specialist to decide [for him] when to let go" because "I will not die later than I should simply for the senseless reason that a highly skilled technological physician does not under-

stand who I am", that feels a perfectly logical conclusion to a lifetime grappling with irrationalities. How We Die is not bleak,

though its subject is awful for most of us. Nuland hopes his book shows relentless death can be rendered less mysterious, and thereby far less terrifying. Of the numerous personal stories he gently, almost lovingly recalls, there is one unifying thread - apart from death itself. It is that courage to face death squarely is perhaps the greatest comfort of all. His words ought to enjoy longevity.

Gary Mead

Radio/Nick Curtis Riding on a wave of change

inception in 1990 BBC Radio 5 relaunched on Monday after undergoing major surgery. Gone was the eccentric, eclectic brew of chat, sports

coverage, youth music and high-grade children's drama. In came a more integrated but thinner soup of rolling news and sport, thickened with middlebrow magazine-format items. It seems safe to say that Radio 5 has shucked off the "Radio bloke" tag afforded its remit of sport and user-friendly news. But the repeated, exclamation mark laden reminders that "you're listening to FIVE LIVE!" only underscore the sense of a station still desperately seeking an identity.

With sport, 5 Live is on solid ground: the sports news and features are impressively diverse and confidently presented. This week, there have been reports that the rights for high-profile sporting events may become prohibitively expensive for BBC Radio, as Premier League football became for BBC Television in the face of bidding from BSkyB.

For now, though, 5 Live sport looks safe, although it's unfortunate that the station should relaunch during the third cricket Test against the West Indies. With comprehensive coverage firmly ensconced on Radio 4, only token reports are left for 5 Live, a cruel reminder that Radio 5 was always a poor relation. It was Radio 5, remember, that was sacrificed to save Radio 4's Long Wave from becoming a rolling news network.

The revamped station, however, may have its revenge. 5 Live reportedly has first refusal on any news items or exclusives that come to its sister stations: in short, it can poach Radio 4's scoops. In the first days of the new station, though, there seemed to be precious few scoops around.

Long touted, the term rolling news proves misleading, implying as it does something progressive or cumulative. Rolling news gathers little: listen to 5 Live for more than an hour and you'll hear the same reports, the same soundbites. the same chunks of actuality endlessly repeated, until you begin to doubt their validity as "news". While never becoming actually bloke-ish, it's during the news that 5 Live becomes

distinctly matey. The station's Controller, Jenny Abramsky, has strenu-ously denied that 5 Live's news coverage will be downmarket, so it might have been an aberration when the trailer for one bulletin on Wednesday promised coverage of the aftermath

of the Hall Carth School stab-bings, John Major's alleged leadership crisis ... and the still running in London. Generally the regular bulletins are relaxed and clear in content, covering the main stories chat-tily but in depth. They seem perfectly gauged to meet the terms of John Birt's mission to explain. The only difference from your average report on Radio 3 or 4 is in tone.

It's not just the surging theme tune that heralds the appearance of another report nor the urgent pace of the headlines, nor the constant emphasis on reporters' names. The tone of the news is eager, snappy, almost frantic at times. It's probably what Abramsky was referring to

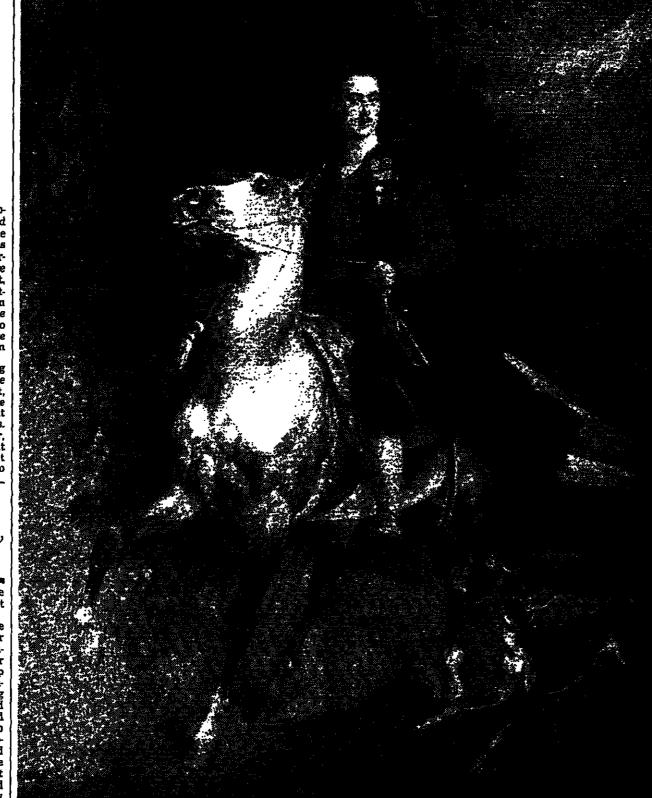
Does Radio 5's revamped format give it the identity it needs?

when she promised 5 Live would be "younger, vibrant and slightly rough".

What this means in practice is that 5 Live sounds rather like a commercial radio station, without the music or advertisements. The air of pep and pace is fostered by the constant trailers for amusing items later in the day (odd things from the BBC Sound Archives, people who want to export birdwatching to Ethiopia). Of the presenters, old Radio 5 hand John Inverdale accomplishes the balancing act of making sport, news and wacky items sound equally important and enticing.

Elsehwere, the blend goes wrong. "Coming up. Prime Minister's Question Time with JOHN MAJOR!" said Sybil Ruscoe in her Tuesday programme, giving the PM the kind of build-up usually reserved for the likes of Cilla Black. The subsequent report had an intrusive commentary ("John Smith there, having another go") which made it sound uncomfortably like a football match.

The same breathless excite ment characterised the trailers for 5 Live's flagship programmes. Frances Edmond's anti-bloke sports programme Women on Top, John Diamond's newspaper review Stop Press, the first national gay news programme Out This Week and the heavy-duty weekend sports coverage are all yet to come. They will play a big part in establishing the identity of a station which at present makes for easy listening 24 hours a day. And once established, maybe they'll drop the exclamation marks.



Collectable playboy

he life and times of Anatole Demidoff, Prince of San Donato, now featured in an exhibition at the Wallace Collection in London, read like the stuff crat with a vast fortune from family mines and factories in the Urals. Born in St Petersburg in 1812, he died in Paris in 1870, so ravaged by syphilis that he was cruelly called Count Decomposition.

Demidoff's was a life of scandalous amorality and yet with his insatiable appetite for pleasure he combined a streak of philanthropy unusual among Russians of his class. He, and still more his equally lustful ex-wife Princess Matilde, feature prominently in accounts of Second Empire

Elsewhere too, Demidoff has left his mark. When next in Florence, I shall look for Piazza Demidoff and the huge monument Anatole designed for his father, the first Prince of San Donato. The marble figures of The Muse of Society and Siberia with the young god Pluto appear, as well as the half-naked Anatole at his papa's knee. It is not entirely to modern taste. Nor, I guess, is Chicken Demidoff - too heavy on caviare and cognac.

The small Wallace Collection show commemorates Demidoff the collector, with a sparkling essay by Francis Haskell, It relates how the count built up one of the century's greatest art collections in the villa his father built in Florence. The Villa San Donato, briefly renamed Villa Matilda in honour of his wife, was really a palace grander than anything of its kind in 19thcentury Florence.

unlikely Demidoff needed the money, but perhaps from weariness he

nthony Neilson's

new play at the Fin-

borough Arms

🔔 (SW10) cocks a

snook at John Major's Back to

Basics. That is an unsurprising

began selling off his collection nine years before he died. These spectacular sales were highly gratifying to the 4th Marquess of Hertford, another ageing expatriate roue living in Paris. He bought some 80 objects, including paintings, watercolours, armour and weapons, snuff-boxes, knick-nacks and

wels, now in the Wallace Collection. The exhibition only takes up two small rooms so that had it been anywhere else one might not think it worth bothering about. But then, this is the Wallace Collection, a place of rare delights and many

Patricia Morison marvels at the Demidoff exhibition at London's Wallace Collection

art-lovers' favourite museum in all London. If you have never been, the Wallace Collection has an unbelievable wealth of paintings, furniture, sculpture, majolica and porcelain. While a paradise for clockfanciers, it also has the finest arms and armour outside the Tower of London.

The museum, five minutes walk from Bond Street in Manchester Square, is in a brick and stone mansion with 19th-century galleries and sumptious drawing rooms so that it hardly feels like a museum at all. The collections were amassed over three generations by two marquesses of Hertford and an illegitimate son, Sir Richard Wal-

Here you will find 17th-century Dutch low-life scenes and 19th-century Orientalism and the best 18th-century French collection in Britain. Frame to frame hang superb masterojeces by Titian. Velasquez Rembrandt, Rubens, Van Dyck, Boucher, Delacroix and more. Just as people are surprised to realise that Manet's Bor at the Folie Bergère hangs in the Courtauld Collection, so the Wallace Collection's trump card is Frans Hals's Laughing Cavalier.

And yet, not one painting nor candle stick have you seen anywhere else. The Wallace Collection is an exceptional cultural asset seemingly doomed to obscurity except that doomed is hardly the right

By the terms of Lady Wallace's will, nothing can be either lent or borrowed. No grandiose temporary shows means almost no press coverage. Hence, therefore, the freshness and air of exclusivity that reigns over Hertford House. On its silk-hung walls we find works of art blessedly safe from the hurly-burly shuttlecockery of the international exhibition scene.

The Demidoff show may be the incentive you need. It sheds light on the shared tastes of two aristocratic playboys, with money to burn and conservative tastes. Not for them the Barbizonists or squalid Realist paintings. Pictures of historical events appealed: battles, lives of painters and, above all, Napoleon. (Had Matilde not been a Bonaparte, she would have been

safe from Demidoff's clutches.) Naturally they had an eye for decorative women, for Fragonard's Fountain of Love and Ary Scheffer's airborne nude in Paulo and Francesca. Paul Delaroche's Execution of Lady Jane Grey, however, was a little too painful for the Marquess - or perhaps simply too well clad. She ended up at the National Gallery.

The exhibition runs to July 25.

Royals on the dole

Windsor." (A Social Services officer is interviewing the next woman in line for an emergency supplementary payment.) "Address?" "Number Nine Hellebore Close" "Former address?" "Buckingham Palace, The Mall," "What were you doing there?" "I was being the Queen." "You were in an institution? We can't give you

any money."
Sue Townsend's 1992 bestseller The Queen and I is a dark joke, a barbed dream of republicanism in which Mrs Elizabeth Windsor and family learn to live in the modern hell of a council estate in the Midlands. Now it has become a play, which has just had its premiere, neatly, in the Mid-lands (at the Leicester Haymarket), and will tour England

Alastair Macaulay reviews The Queen and I – on stage

and Wales before reaching London's Royal Court on June 7. The play is different in many details from the novel. Updated to suit recent Royal developments, and including a few songs (too few - phew - to qualify it as a musical), it is funny, touching, shrewd,

Part of the fun of The Queen and I (on page or stage) is to do with Royal gossip. How would Margaret cope? Philip? The answer in either case is wickedly amusing. In the stage version the adulterous Charles, who has been allocated a single person flat, soon shacks up with Leanne, the most promis-cuous girl on the estate, and becomes a good dad to her illegitimate baby. Diana starts a flirtation with Fitzroy, a local black, and works out with him ("Once your muscle tone goes, you may as well be dead"). The stage Queen and I is also mildly feminist: which leads to its funniest scene - a women's group in which Liz, Diana and neighbours practise assertiveness - and its best song, What Makes the Husbands Leave Home?" And the fact that Liz Windsor herself turns out to be matey, outspoken, decent, hard-working, will please roy-

alists as well as republicans. But the stage version of The Queen and I is more overtly socialist than the novel. Some of its stylised versions of gangland chants are trite - a simplistic effort to understand the gang mentality that sounds in fact condescending. Elsewhere, however, the realities of council estate life are caught with realism, as well as humour. It proves both gratifying and credible (not to mention ironic) that, on her first Christmas Day in her new home. Mrs.

Windsor of Hell(ebore) Close,

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LONDON PALLADIUM, Angels

The Official London Theatre Guide

ame? "Elizabeth rallies and makes a televised speech to the nation - no, not the Queen's Speech, de haut en bus, but the reverse: a pensioner's appeal on behalf of those who, like herself, are making do on inadequate benefits.

Max Stafford-Clark directs. The fun of all the performances lies less in their precision of Royal mimicry (though Doon Mackichan makes very witty use of Diana's tricks with her eyes) than in the impish vigour with which they bring them to life, Thus Mrs Philomena Toussaint (David Howey) and Mrs VI Toby (Carole Hayman) become as vivid to us as their ex-Royal neighbours. The songs, by Mickey Gallagher and Ian Dury, are the least surefire element of the show. A ing the Windsors and their neighbours do a rap number, but less than you might hope. The fine cast is led by Pana

Ferris as the Queen an out-standing performance. She brings out some surprisingly serious dimensions. Talking nostalgically to a vision of her old nanny, she suddenly exclaims softly, "Crawfie - we lived in Paradise". The line - a gentle echo of Lear's "I have ta'en too little care of this". brings a real pang. At the same time, she is as good as every one else in the play's element of naughty caricature. The way she uses her corgi on that Social Services officer (you have to see this) is the play's funniest moment.

The Queen and I continues at the Haymarket, Leicester, until April 16. In a double bill with Jim Cartwright's Road, it tours to Bath, Cardiff, Hull, Woking, Blackpool, Norwich and the Royal Court Theatre

Ticket sales rise

had a record year in 1993, writes Antony Thorncroft. Ticket sales topped 11.5m, 6 per cent higher than in 1992, and beat ing by 2 per cent the previous record year of 1990. Some of this total can be attributed to the re-opening of three theatres, the Savoy, the Criterion and the Donmar. But even so, the West End seems in remarkably good health.

-in particular, the serious play - long considered endangered in an age when theatregoers were besotted by costly, escapist, musicals - has made an impressive come back. An Inspector Calls, Oleanna, Medea and Six Degrees of Separation performed well at the hox office as did classic revivals such as The Importance of Being Earnest and She Stoops to Conquer.

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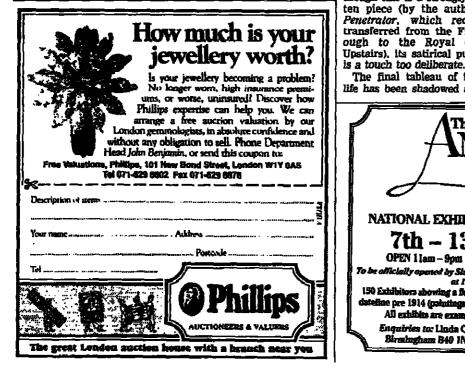
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Theatre/Paul Driver Pungent soap

start, and the intervening development of character and though this is a strongly written piece (by the author of Penetrator, which recently transferred from the Finborough to the Royal Court Upstairs), its satirical purpose The final tableau of family life has been shadowed at the matic. Two effectively parent-

plot turns out to be largely a strategy for making the ending seem as grotesque as possible. Largely, but not entirely. The characters are interesting even if the plot is melodra-

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with an older man: in one case a tramp who has lost his memory and is being perversely persuaded by Fliss that he is really her long-lost father, in the other a sadly middle-aged wife-deserter whose affair with Claire is compromised by the fact that she is enjoying a sado-masochistic relationship with his angry, layabout, Glas-Sid is alarmingly close to wegian son, Sid. Melodrama home. ensures a quota of sticky ends.

The play unfolds in rapidly changing naturalistic scenes like a soap opera, but has a pungent sexual frankness not yet available to TV and a certain poetic force. Though Sid is verbally victous in the best Glaswegian manner, he can rise to the inclusive metaphor. kinky fun with Claire and some tabasco becomes a vision of the burning up of the entire social fabric.

Dickie, his father, tells him that he left his wife because she had started to "move through life like treacle". What happens inside a marriage, he

opines, "is a mystery, like the pyramids or the cosmos". Poor kindly Dickie is trying his best to please young Claire but only alienates her with his ineut presents and his guzzling. Roger McKern brings to the role a well-drawn pathos. Claire herself, reasonable though hard-bitten, and only sheepishly kinky, is attractively taken by Sophie Langham. Rachel Weisz is excellent as her "mad". Sloaney sibling. Timothy Barlow's Tramp stumbles about with mostly mute grandeur, gasping and tormented. Alastair Galbraith's

To make a soap opera convincing in a pub takes much ingenuity. The author, directing, and his team have exploited every inch.

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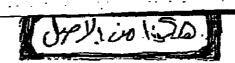
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when conscripted to the pre-first world war Russian army, was a Jew in little more than name. Then one day, during a trivial argument, the non-Jew who was his greatest friend called him a dirty Jew. "All right," thought my father. "If to them I'm a Jew, to myself I'll be a Jew." From that day on, he observed his religion with the strictest orthodoxy.

In David Thacker's new

in David Thacker's new interpretation of The Merchant of Venice for the RSC, which opens at the Barbican next week, Shylock's Jewish identity is awakened in the same way as was my father's.

When we first see Shylock at

When we first see Shylock at his financier's desk in the 1990s London yuppie dockland - a clever analogy for Venice - in which this production is set, he is dressed in the kind of ciothes worn by those prosperous Jewish businessmen who, on high holy days only, attend St John's Wood synagogue.

As the play progresses and the emphasis on his Jewishness increases, Shylock dons a skullcap. Subjected - as the action approaches its climax to the full force of anti-Semitic prejudice, he responds by wearing the black overall that is customary among ultra-Orthodox Jews.

thodox Jews.

Many critics, not all of them Jews, regard The Merchant of Venice, with its apparently stereotyped Jewish villain, as unplayable. Such critics misunderstand not only the play but its author. Compare The Merchant of Venice with other works of English literature featuring Jews, and it is not the similarities but the differences which are remarkable.

Marlowe's The Jew of Malto, written around the same time as Shakespeare's play, presents a protagonist, Barabas, who conforms to the worst sort of racial stereotype. He thinks only of money, and to get it he is perfectly ready to cheat and deceive Christians:

"We Jews can fawn kice spaniels when we please; And when we grin we bite; yet

are our looks
As innocent and harmless as a lamb's."

At the end of the play Barabas dies as he has lived evil, violent and unrepentant. That kind of caricature is repeated in the particularly nasty anti-Semitism with which the vastly over-praised Charles Dickens portrays that other well-known fictional jew-Fagin of Oliver Twist, the criminal and corrupter of children. On his first appearance



scended prejudices which prevailed not only in his own time

The Merchant of Venice is

not an anti-Semitic play, but

one that exposes anti-Semi-

tism. Shylock, humiliated, robbed, compelled to betray

and abandon his own religion,

is an ancestor of the Jews per-

secuted by Hitler. Portia, Bas

sanio and the rest of that trivi-

al-minded and selfish dominant

group in Venetian society were

fore-runners of Nazis like

Amon Goeth in Schindler's List. At the end of the play,

their hounding of a Jew accom-

plished, they turn, complacent

and impervious, to their merry-

but for centuries to come.

مكان الاعل

avid Calder as Shylock in David Thacker's new production of The Merchant of Venice at the Barbican, which is set in London's yupple docklands

The many faces of Shylock exposed

Gerald Kaufman on Shakespeare and anti-Semitism

Fagin is described as "A very old shrivelled Jew (with) villainous-looking and repulsive face ... dressed in a greasy fishnel gown". He is truly evil, egging Bill Sikes on to murder Nancy and utterly defiant as he goes to his execution before a raucous and jovial crowd.

Yet the depiction of Fagin

was not some odious excrescence but the norm. Instinctive and automatic anti-Semitism was endemic in English plays and novels until early this century. Saki's stories are peppered with anti-Semitic references, and so are John Buchan's. In *The Thirty-Nine Steps* there is the early appearance of "A little white-faced Jew in a bath-chair with an eye like a rattlesnake", and the narrative is obsessed with

'Jew-anarchists". Anti-Semitism featured, too,

SOUTH BANK

6. 228, £20, £17, £12, £8, £5

QUEEN ELIZABETH HALL

PURCELL ROOM

in the writings of G.K. Chesterton, in whose reputedly warmhearted Father Brown stories the word "Jew" is used as a synonym for "alien". Three of this century's best-selling authors of detective novels - Agatha Christie, Marjorie Allingham and Dorothy Sayers - were reflexively anti-Semitic

(even though Sayers's publisher was a Jew).
In The Merchant of Venice, Shylock starts out as benefactor who offers a loan to an avowed anti-Semite. Antonio accepts the terms for forfeiture—the pound of flesh—quite

readily:

If thou wilt lend this money,
lend it not

As to thy friends . . . But lend it rather to thine

who if he break thou mays with better face

Exact the penalty."

The key event that precedes Shylock's switch to a stubborn insistence that the debt must be repaid, and in the manner to which Antonio has agreed, is the defection of his daughter. Jessica. She not only runs off secretly to marry a gentile, but she also steals much of her father's wealth and then proceeds to throw in her lot with his enemies. Shylock is a lov-

ing father. It is the loss of Jessica rather than his money that he principally laments:

"My daughter!" O my ducats!
O my daughter!"

It is understandable (though not pardonable) that, taunted by street-people and insulted by his enemies, Shylock should become vengeful. Suffered of injustice both in being robbed and in not having his loan repaid, it is he, not Antonio, who is ruined. He is not the player villain but its victim.

play's villain but its victim.

Thacker demonstrates that anti-Semitism is only one element of the bigotry that pervades Venice. There is a telling moment in the first casket scene when Portia flinches from the touch of the black Prince of Morocco and, later on, Antonio's own friends mock his homosexual attachment to Bassanio.

Thacker not only illustrates the prejudice but dramatically emphasises it. Shylock's "Hath not a Jew eyes?" speech occurs some way into the first scene of the play's third act. In midscene and indeed in midspeech, the director stops the play and starts the interval, thus imprinting on the audience's mind what is the most profoundly effective apologia for Jewry in all literature.

Thacker is able to create that coup de theatre because Shake-speare wrote that speech. The Merchant of Venice reveals its playwright to have been a moral pioneer, who tran-

YOUR WILL.

elderly people who have

given so much

nd are mow in need of belp tyon - with nursing home fee

or convalencence and in many other vays. Please ask the NBI to show you how you can set up a legacy, a

> 61 Bayswater Road Loadon W2 3PG.

ga garaga yang mengangan penggalang dan penggalang dan penggalang dan penggalang dan penggalang dan penggalang





Jewish stereotype? Henry bying as Shylock at the Lyceum in 1879

Eclectic and elusive

f all the works suppressed by the Nazis, one of the most curious is Hans Krasa's two-act opera Verlobung im Traum (Betrothal in a Dream), which has just been staged by the Prague State Opera – formerly Prague's German theatre.

It was first staged there in 1933 by the young George Szell and won the Czechoslovak State Prize, a rare honour for a German-language work. By the end of the decade Krasa, a German-speaking Czech from a wealthy Jewish family, was in the Terezin concentration camp, where performances of his children's opera Brundibar (Bumblebee) helped to raise the morale of inmates. He died in the gas chambers at Auschwitz in October 1944.

Along with Viktor Ullmann

Along with Viktor Ulimann and several other Jewish contemporaries, Krasa is now being rediscovered. Decca has just issued a recording of his string quartet, his symphony has been played in Berlin and Brundibar was staged last year at London's South Bank.

at London's South Bank.

Verlobung im Traum owes its revival to two people: 83-year-old Pavel Eckstein, a long-time Prague correspondent of Opera and now adviser to the State Opera, who remembers the 1933 premiere and wanted to see a modern staging; and Israel Yinon, a young Israeli conductor based in Mannheim. Krasa's publishers, Universal Edition, had told Yinon the music was lost but allowed him to rake through the cellars of their Vienna headquarters. It was here that he found the score with Szell's pencil markings.

One question which surrounds such rediscoveries is whether their brutal and poignant history masks a mediocrity of talent.

There can be no qualms about the libretto, compactly drawn from Dostoyevsky's Uncle's Dream by two journalist friends of Krasa's, Rudolf Fuchs and Rudolf Thomas. Set in a small Russian town in the mid-19th century, it tells of the beautiful young Zina, her bourgeois family and three rival

f all the works suppressed by the Nazis, one of the most curious is sa's two-act opera most curious is back, framed by a brief promotion Troum (Betrothal tom), which has just suitors — including a decrepit old prince who is persuaded to believe his betrothal to her was a dream. The action is in flash-back, framed by a brief promotion, which has just vist's library.

Krasa's music is eclectic, reflecting the harmonic modernism of his teacher Zemlinsky, his cosmopolitanism and technical fluency. There are motoric rhythms, jazz inflections, neo-classical passagework, schmaltzy dance tunes and snatches of Janacekian beauty. The most notable features are the light orchestration and a vocal quintet built out of Casta diva, with which Zina charms the prince.

An air of comic irony hovers

Andrew Clark on the curious case of Hans Krasa's 1930s opera

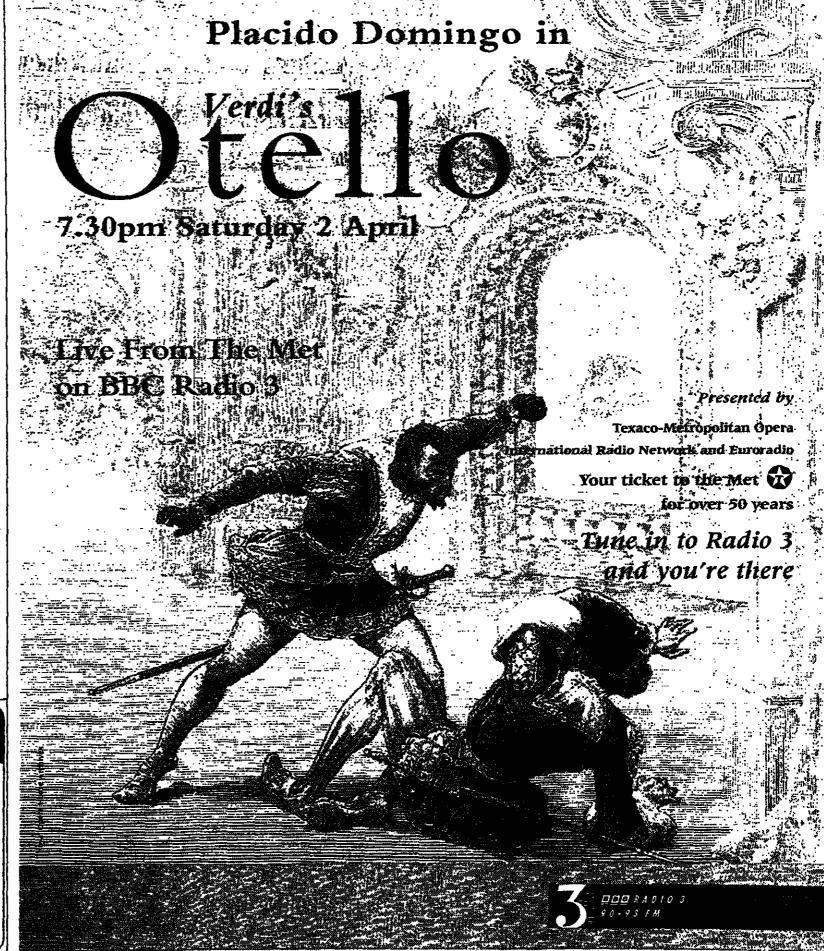
over the whole, but Krasa's personality remains elusive. At less than two hours, the opera outstays its welcome.

The State Opera's production, staged by Karel Drgac, designed by Rainer Sinell and sympathetically conducted by Yinon, preserved the period setting and looked good, thanks to an ingenious turntable set and some well-characterised ensembles. But the principals needed stronger direction.

The Romanian soprano Anda-Louise Bogza was an ideal Zina for the occasion, sounding like the young Julia Varady and capturing a wealth of conflicting emotion behind the outward composure.

Jaroslav Horacek gave a fine cameo as the Archivist, but the other players were disappointing, in particular Rudolf Konstantin's Prince. I left the theatre applauding the effort, but somewhat doubtful about the result.

The production, sponsored by BMW and the Czech Commercial Bank, moves to Mannheim





John Major, we are told, follows the fortunes of the England cricket XI with a passionate intensity. We have been told so by prime minister Major himself, and probably

believed that at the time he said it,

Perhaps Major's latest debacle, his bungled attempt to change the basis of the European Community's voting structure, owed something to the distractions of watching the satellite television coverage of the English cricket team's test match against the West Indies.

I can envisage foreign secretary Douglas Hurd making the short walk across from King William Street to Downing Street, attempting to tell Major that the Spanish were not going to continue to hold ont with the British against the

'Douglas, I feel bowled out'

Dominic Lawson imagines John Major's feelings during the test match

rest, to be met with: "Douglas, can't you see that we are on the verge of a famous victory? The West Indies have not lost a match at Port of Spain for 17 years. If Atherton's men can beat Curtly Ambrose and co, surely you can heat those medium pace trundlers.

in Brussels. "But prime minister, Mr Atherton is playing 11 against 11. We are one against 11. It's just not cricket out there in the enlargement nego-

"Just block the straight balls, Douglas, and whack the loose ones. Oh. and remember to stay on the front foot, in case the French bowl "Prime minister, I really

"Oh shush, Douglas, Hick has just dropped another sitter, and I want to see the action replay after the break. By the way, why are there so many advertising breaks on Sky. Douglas?"

"Since you ask, prime minister, we agreed that Rupert Murdoch's channel should not have to observe any of the rules which keep terrestrial television tasteful. He said he wouldn't put up the money otherwise. I believe this was when I was home secretary. Or perhaps it wasn't. We've had so many home secretaries over the past few years, I really can't remember."

"Stop reminiscing, Douglas, get back to that easy-paced wicket in Brussels, and play yourself into form, like Graham Thorpe in the first innings."

"Graham Thorpe, prime minis-"Oh you must know who I mean, Douglas, the plucky little Surrey

"I'm afraid, Prime Minister, that your cricketing metaphors are lost on me. I was a wet bob."

"Wet bob? Is that one of your awful political dining clubs? What are you talking about, Douglas?" Schooldays, prime minister. We called cricketers dry bobs, and rowers wet bobs. At Eton. You see..."

"I thought I told you never to mention that word in my pres-

Sorry, prime minister," said Hurd, who, in the awkward silence which followed, began humming "blade on the feather", subversively, under his breath – the Eton boating song had always inspired the foreign secretary at such test-

"Well, Douglas, while you've been staring at the ceiling, singing the European anthem, we've got the West Indies all out. Now Athers and the lads have only got to get 194 runs to win. Sit down in Norma's chair and enjoy watching an English triumph."

The foreign secretary walked across the room, poured himself a glass of good French brandy, and sat down. In the meantime Major seemed suddenly to have slumped in his seat.

Hurd looked at the television with a puzzled expression on his fine patrician features: "Prime minister, why is Mr Atherton walking across the screen with a cartoon picture of a duck under his name?"

"Shut up Douglas, this is serions." A few seconds later another England batsman trailed gloomily across the screen with the same undignified mailard for company. And another. And another. "Kxit, pursued by a duck' one might say. prime minister," chartled the foreign secretary. Major groaned. "All right, Douglas, have it your way. Go back to Brussels, and tall

them we give in." "Quack, quack, prime minister." ■ Dominic Lawson is Editor of The

obscure but ancient theological argument about the Trinity the Latin church claims that the Holy

Spirit proceeds from God the Son as

Nor, the Bishop said, need there be much dispute about the real

presence at the Eucharist even

though the Orthodox regard the

Roman word "transubstantiation"

as a dubious piece of Aristotelian

interpolation. Orthodoxy is both more traditionalist, but also more

mystical, fluid and decentralised

than Roman Catholicism. For exam-

ple, its bishops do not take the Vati-

can's hard line on artificial contra-

ception, nor on divorce. They

(but not priests to marry).

permit married men to be ordained

In relation to Anglicanism, the

problem is reversed. There is no his-

torical legacy of hatred, but there

whose faith is really the same as ours," the bishop said. "But over

the past 50 years there has been a

growing liberalism too on the Trin-

ity, the Incarnation and the bodily

Resurrection. We cannot envisage joining a body where such diversity

His answer was a surprise. For he thinks the gender of the clergy is "an open question" which has never been studied in theological depth.

His complaint about the Church of

England's decision to ordain women is not that it was done, but that it

was done without a proper theologi-

cal debate. "Is the difference between men and women only a matter of procreation? Or is it much

deeper, about different ways of

The doorbell rang and the Bishop

went out to meet another visitor.

After a few moments he came back

and said: "There is something else I

makes demands on people. I would

never say it offers a soft option. But

I also believe it is a faith as much

for English people as for Greeks or

Russians. I didn't become an Ortho-

dox just because I like things Greek

and Russian. I became one because

I felt I could find in Orthodoxy a

"It's not that I think Orthodoxy

fullness - and I do very deliberately

has everything and the western

churches have nothing. I simply

believe that the light I had already

found in Anglicanism - that I'm

sure can be found also in Roman

Catholicism - was to be found in a

nothing but that the Orthodox

church has more. Having said that,

I would add that from an empirical

point of view and for historical rea-

sons there are many human failings

could learn many good lessons from

the west. The west can help us to understand our faith better. And

that's the great benefit we could

derive from talking to western

Christians: not that we would

import a lot of western ideas that

are foreign to us, but see better who

not feel I was betraying my own

western culture but really discover-

ing its true roots and true meaning.

I know that to my friends it seemed

a highly eccentric action. But I feel

it's not made me less English, but

nomic miracle, has been founded on

the basis of a government which does nothing and creates obstacles.

He is comforted that Berlusconi

was helped to his present eminence

by his contacts with the former

socialist leader, Bettino Craxi, now

charged with corruption. And that

he was a member of the powerful P2

Masonic lodge which seems to have

lurked behind some unsavoury

So, the answer to the above ques-

"Also, in becoming Orthodox I did

"That is why I think Orthodoxy

in Orthodoxy. I don't deny that.

"So it is not that the west has

"I do believe that Orthodoxy

thinking, working and feeling?"

would like to say.

use that word.

fuller, purer form.

and what we are.

of opinion is possible. And women priests?

are serious doctrinal obstacles. There are high-church Anglicans

much as from God the Father.

won't

He will

Thompson-Noel



ildren and Re quarter. Tempus fugit. At the end of each threemonth i indulge myself no end by taking stock. I ponder my career. Examine my lifestyle. Count my money. Scrutinise

come - about 52, by my calculation, which is not a large number, sad to

I especially enjoy re-reading my will, and deciding which of the people mentioned in it should be given greater prominence, or moved into the shadows.

In addition to my usual stock-taking, I have been examining the predictions for 1994 made in this column on January 1, to see how they

are faring. If they are proving to be idiotic my idiocy should be acknowledged. at least by me, for I claimed that they were serious predictions, even if wishful thinking had infected most of them. To calibrate my performance at the end of the first quarter, I decided to award each

Markets: displaying a machismo



I still think it will finish 1994 at a far lower level than experts were predicting on January 1. But even if it does, my other forecast - that gold would approach \$500 an ounce, as a prelude to startling gains at the end of the century - is looking flyblown. I am counting on China. The Chinese love gold. Buy more, you toiling masses. Unless we all heave together, the wretched gold price is

of 10: 4. US politics: I predicted "a good year for Bill Clinton - Washington's dozy columnists will finally warm to him - and a good year, too, for Hilary Clinton." I am sticking to my

Score: 7. Sport: I like soccer, so I predicted that the World Cup would be a great success. I know almost nothing about soccer, so I predicted that Norway would beat Brazil 3-1 in the final. I also reckoned that the Grand National steeplechase at Aintree would produce a fiasco to rival last year's. Neither of these

The monarchy: "A good year for Prince Charles, as more and more people come to appreciate the attraction of having a divorced heir to the British throne. What could be more fin de siècle or sophisticated? (The divorce itself was tipped for 1995). Without doubt, Prince Charles is having a good year. having launched a massive PR campaign to buttress himself against the sniggering of the

As an Italian colleague, an expatri-ate Rossi, told me: "The trouble with policies is that they can go Religion: "The Church of England

Private View/Christian Tyler

The bishop with a different Easter

tians will not be celebrating Easter this weekend. It is have stopped believing in the Resurrection but because they belong to the Orthodox Church.

Easter follows the first full moon after the spring equinox. For this calculation the Orthodox still cling to the old Julian calendar, according to which the spring equinox occured on April 3. The result is that their Easter is still a month

The discrepancy is just one symptom of the great schism between the churches of Byzantium and Rome, usually dated to 1054 AD when a papal legate threw a Bull of Excommunication on to the altar of Santa Sophia in Constantinople.

A thousand years later, Christian clergy of east and west are still looking for reconciliation. If anyone understands what that involves, it is Bishop Kallistos of Diokleia, assistant to the head of the Greek archdiocese of Thyateira and Great Britain, university lecturer and author of a standard work, The

"In the end I felt what mattered was not nationality, but truth," he said. "If Orthodoxy taught the Christian faith with a fullness not possessed by other communities, shouldn't I join them, whatever the historical limitations? Truth is uni-

In the west, Orthodoxy is largely a church of immigrants. It is also fragmented along national lines. Parish organisation has improved but there are few western converts, and those tend to be from the university-educated professional classes: John Tavener, the English composer, is one famous example and Bruce Chatwin, the author, was on

the point of joining when he died. In Russia, however, the church is enjoying a big revival following the collapse of communism. "People feel communism has let them down desperately badly and are looking for some meaning to life," the

Bishop said. But is there, I asked him, any sign of a general religious revival as we approach the millenium? "What I do think," he replied, "is that while there is deep disillusion-

ment with organised religion there

'I did not feel I was betraying my western culture but really discovering its true roots and true meaning . . . I feel it's not made me less English, but more English,' says Orthodox priest Bishop Kallistos

Orthodox Church.

For behind the black-rimmed spectacles and whiskery silver beard - an accoutrement which does for an Orthodox priest what a full-bottomed wig does for a British judge – there hides an Englishman.

Bishop Kallistos began life as Timothy Ware, the son of an English soldier. His father was a brigadier in the Durham Light infantry and fought in two world wars. Both parents were churchgoing, middle-of-the-road Anglicans.

The boy was not military, not even athletic, but very precocious intellectually: he suffered a bout of religious scepticism at the age of 13 when, arriving at Westminster School, he began to read philosophers such as Bertrand Russell.

"I do remember thinking when I was 13 there is no proof for the existence of God," he said. (Russell made the same discovery at about the same age, but with quite different results.)

By the age of 14, Timothy Ware had returned to religion. "Not because I found any single answer," he said, "but because I concluded there were a great many things in this world that could not be proved, that almost all the things by which we directed and guided our lives no proof. Then I also thought about why I have feelings of right and wrong - not just conditioning, but going deeper than that."

He considered becoming a Roman Catholic but found the Pope's claim to supremacy inconsistent with his reading of early church history. A visit to a Russian Orthodox church at 17 made a deep impression but it was six years later, after taking a double First at Oxford and studying theology, that he joined the Greek Orthodox. When he was ordained in 1966 he was the first non-Greek priest in the British diocese.

any must have envied

the Italians last week-

is nonetheless considerable spiritual thirst and interest in the inner resources of the human person.

"This may take different forms. Some 20 years ago people looked to India or Zen Buddhism. Nowadays people are drawn often to the 'New - a lot of what that means makes me feel very unhappy. Nonetheless, I can see a spiritual craving there, a rebellion against the values of a purely material way of life. The interest in ecology is another aspect of it. But churches don't seem to be responding."

How, I asked, could a church as antique and traditionalist as the Orthodox hope to respond?

"I would want to say that tradition has to be understood as a living reality, not simply rigid conservatism. Real loyalty to tradition implies a critical spirit. You've got to look at your past inheritance and say which bit of it is essential, which just historically conditioned. I would like to see the Orthodox Church living its tradition much more intelligently and reflectively."

The focus of his religious loyalty is the doctrine of the Trinity, which he described as much more than a theoretical piece of complex speculation, and of the Incarnation.

"I am very troubled by the great growth of an extreme radical, liberal position within Anglicanism." he said. "I respect the sincerity of the people who are grappling with great questions. But the way they set out to answer those questions is not likely to bring the country back. It's not a way to help people in moments of crisis and despair." Also important, he added, was

world". Christianity should never become "just a philosophical theory or a social programme" Orthodox rank-and-filers tend to

resist reunion with western Chris-

tlans. Where Orthodoxy is the

the immediacy of the invisible

national religion there is no need. Immigrant communities of the diaspora take refuge in it. And western converts do not convert in order to be brought back again.

I asked the Bishop whether secularism could provide the impetus. "I wouldn't want us to unite because we both felt weak. When two businesses do a merger because each is losing clients that's not necessarily a recipe for commercial success. I would hope myself that in the west we can have friendly relations with other churches but

remain firm in upholding our own position."

The most likely, even imminent, reunion would be with the so-called Oriental Orthodox of the Middle East, north Africa, Armenia and India which veered off after the Council of Chalcedon in 451 AD. Among western Christians, the Roman Catholics are doctrinally

historical vendettas to be overcome.

The Serbs, for example, remember

Catholic fascists during the second

ecres at the bands of Croatian

world war, and have witnessed continuing destruction of their churches even outside the fighting zones. In the Ukraine, there is resentment against the Vatican-supported revival of the eastern Catho-

lic, or Uniate, church. Bishop Kallistos said the chief doctrinal problem was the Pope's claim to infallibility and jurisdiction over the whole of Christendom. But, he argued, under another pontiff both claims might be susceptible to redefinition.

So, too, might the filioque, an

As They Say in Europe / James Morgan

Italy: a case of plus ça change?

even by Sunday night, Rossi had not been able to make up his mind When he did, it seems he voted for Silvio Berlusconi's Forza Italia.

The victory of this grouping and what the press call le tre destre italiam - the three Italian right wing parties - led to some complex speculation. Corriere della Sera decided they each had, more or less. "ancient and profound roots but together represent a new phenomenon". This is part of the truth.

Berlusconi's policies were described by an Italian professor, writing in Le Monde, as "all originating in the Thatcherite pharmaconceia of Anglo-Saxon neo-conservatism." That highlights what was truly a new phenomenon in Italy. A party had not only put forward a political programme but had actu- lusconi's party seems to be the ally won the election, too.

According to the professor, Marcello Da Cecco. Berlusconi's borrowed programme ends in the definitive defeat of the trade unions and the re-distribution of income in favour of the rich". But Da Cecco did, accidentally, explain how an Italian party had been able to succeed when burdened with a political programme, especially such an appalling one. He noted that it had "neither been questioned nor discussed" during the cam-

By tradition, politics were never discussed on such occasions. Italian parties had highly political names -Christian Democrats and so on but no content. Only slogans, Ber-

opposite: it has policies, and a football supporters' slogan as its name. But will Forza Italia, in fact, now try to put its published programme into practice? The contradictions within the ramshackle electoral coalition which the party leads have been well documented.

If, however, there should be an Italian government with policies that go beyond paying off appropriate interest groups and being blown half-heartedly by any wind that seems to prevail, the possibilities are revolutionary. Will foreign policy no longer consist solely of trying to find out what Washington thinks it ought to be? Will Italy's Euro-policies cease to be a poorly constructed replica of France?

Berlusconi has no love for Brussels, though, and we could see one crucial element of the "Thatcherite pharmacopoeia" emerge as the new Italian government pursues a European policy that is nearer to that of Britain. Perhaps Italy will no longer be a reliable opponent of anything that smacks of the free market and

liberalisation. Such a change would vindicate fully the complex game played by the British government which, this week, ensured an increase in the number of votes needed to block proposals in the EU's council of

Still, any kind of political activism will worry Rossi and the millions who voted for Forza Italia. italy's post-war success, a real eco-

milestones of contemporary Italian tion might still be a reassuring

"niente". Perhaps not that much has changed, even though all the papers write of "the Italian revolution". As Niccolò Machiavelli, the greatest political commentator of them all, noted: "People are always taken in by appearances and the outcome of events."

שמטינש

■ James Morgan is economics correspondent of the BBC World Service.

or he Michael



The end of the first

anda massaci

my will.

And estimate how many quarterly stock-takings I still have to

People change as they get older, especially people mentioned in wills. They get nicer, or not, more grateful, or less. You have to keep on top of it, and update the paper-

forecast a provisional score out of

that was entirely uncalled for, I pre-dicted that the FT-SE 100 would set a record high of approximately 3,660 before Easter, then endure months of choppiness before falling like a stone in September or October, and finishing the year below 3,000. As it happened, the index topped-out at 3,520.3 on February 2.



going nowhere. Provisional score out

guns, storms in eggcups notwith-

standing. Score: & UK politics: John Major would resign, to be succeeded as prime minister by Kenneth Clarke; John Smith would meander through another low-key year as Opposition leader; and something "painful and messy" would happen to bossy Virginia Bottomley, the UK health secretary. I still believe that Major will quit Downing Street voluntarily, late in the year. probably late at night, his poor wife in tow, screaming soundlessly. And Smith is certainly snoozing through a low-key year. But Bottomley is uncrushed. In fact, still glowing.

events has yet been staged. Score: 5.

populace. Score: 9.

will stumble ever faster towards disestablishment and outer darkness." As forecasts go, this is one of my bankers. Score: 3.

Hunting: "People who hunt animals - big ones, small ones will feel more and more like pariahs as revulsion at their activities becomes pronounced." Score: 7.

Journalism: Incredibly, I reckoned that news desks would realise that people are fed up with coverage of Russia and China, and wanted about 30 years' silence from those two countries while they licked their wounds and smartened-up their acts. Score: 0.

My average provisional score is thus six out of 10. This is not a good score. It has made me gloomy. To revive my spirits, I have torn up my will and am starting again from scratch. The fun is quite

end. They could choose among any number of new parties, usually led by totally new politicians. For the first time in the history of a democracy, voters could go to the polls without being tempted from the path of reason by the siren call: "Throw the rascals out." The rascals had already been thrown out by the police and the judiciary. But this cheery view was mis-

taken, as Monday's perceptive fantasy in the Frankfurter Allgemeine Zeitung indicated. It highlighted the problems faced by the typical Italian voter. "Mr Rossi has nothing to complain about. His wife had come through her operation satisfactorily, the children bring average reports home, the textile industry in his central Italian small town is working well. But this election breaks Mr Rossi's head."

Too much had changed, little was left over from the old system. New symbols, new words, new faces. So,